

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

**To The Members of
Velotio Technologies Private Limited**

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Velotio Technologies Private Limited**, which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended and a summary of material accounting policies and other explanatory information.

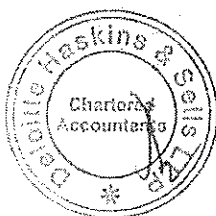
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statement give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

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

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

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



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

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

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls in our separate Report in "Annexure A".
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose 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 Special Purpose Financial Statements.

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



**Deloitte
Haskins & Sells LLP**

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2023 and the related transition date opening balance sheet as at April 1, 2022 included in these Special Purpose Financial Statements, have been prepared after adjusting previously issued Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued Financial Statements were audited by the predecessor auditor whose report for the year ended March 31, 2023 and March 31, 2022 dated June 15, 2023 and September 7, 2022 respectively expressed an unmodified opinion on those Financial Statements. Adjustments made to the previously issued Financial Statements to comply with Ind AS have been audited by us.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A handwritten signature in black ink that reads "Jitendra Agarwal".

Jitendra Agarwal
Partner
(Membership No.87104)
UDIN: 24087104BKCUCG9462

Place: Noida
Date: February 15, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to the Special Purpose Financial Statement

We have audited the internal financial controls with reference to the Special Purpose Financial Statement of **Velotio Technologies Private Limited** ("the Company") as of December 31, 2023 in conjunction with our audit of the Special Purpose Financial Statement of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Special Purpose Financial Statements.



Meaning of Internal Financial Controls with reference to Special Purpose Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Special Purpose Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to the Special Purpose Financial Statements and such internal financial controls with reference to the Special Purpose Financial Statements were operating effectively as of December 31, 2023, based on the criteria for internal financial control with reference to the Special Purpose Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)



Jitendra Agarwal

Jitendra Agarwal
Partner
(Membership No.87104)
UDIN: 24087104BKUCG9462

Place: Noida
Date: 15 February, 2024

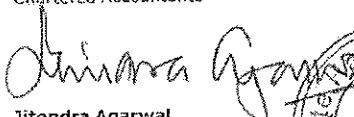
Velotio Technologies Private Limited
Balance Sheet as at December 31, 2023
CIN: U72100PN2016PTC164259


(Rs. in million)

Particulars	Note No.	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
ASSETS				
A. Non-current assets				
(a) Property, plant and equipment	3a	26.21	29.28	29.60
(b) Goodwill	3b	1.23	1.23	1.23
(c) Other Intangible assets	3c	11.06	13.63	17.04
(d) Right-of-use assets	3d	17.72	28.72	43.38
(e) Financial assets				
(i) Investments	4	52.51	10.01	10.01
(ii) Other financial assets	5	51.86	51.01	35.12
(f) Deferred tax assets (net)	27	49.28	10.17	1.84
(g) Non-current tax assets (net)	6	8.59	-	12.14
(h) Other non-current assets	7	-	0.15	1.28
Total non-current assets (A)		218.46	144.20	151.64
B. Current assets				
(a) Financial assets				
(i) Trade receivables	8	257.27	235.57	192.18
(ii) Cash and cash equivalents	9	79.13	163.80	37.42
(iii) Other financial assets	10	9.09	24.96	11.48
(b) Other current assets	11	41.34	40.38	35.16
Total current assets (B)		386.83	464.71	276.24
Total assets (A+B)		605.29	608.91	427.88
EQUITY AND LIABILITIES				
A. Equity				
(a) Equity share capital	12.1	0.11	0.11	0.11
(b) Convertible preference shares	12.2	0.12	-	-
(c) Other equity	13	234.89	295.96	109.11
Total equity (A)		235.12	296.07	109.22
Liabilities				
B. Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	14	3.40	15.32	29.22
(b) Provisions	15	33.81	24.88	15.39
Total non-current liabilities (B)		37.21	40.20	44.61
C. Current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	14	15.55	13.91	11.92
(ii) Trade payables	16			
- total outstanding dues of micro enterprises and small enterprises		-	2.19	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		19.68	9.70	18.87
(iii) Other financial liabilities	17	253.46	119.74	153.49
(b) Other current liabilities	18	24.56	83.44	88.57
(c) Provisions	19	19.71	14.54	1.20
(d) Current tax liabilities (net)	20	-	29.12	-
Total current liabilities (C)		332.96	272.64	274.05
Total liabilities (B+C)		370.17	312.84	318.66
Total equity and liabilities (A+B+C)		605.29	608.91	427.88

Notes forming integral part of the special purpose financial statements 1-35

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


Jitendra Agarwal
Partner
Membership No. 87104



Place : NOIDA
Date : February 15, 2024

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited


Kalpāk Shah
Director & Chief Executive Officer
DIN: 2940976

Place : Pune
Date : February 15, 2024


Nand Sardana
Director
DIN: 09592752

Place : NOIDA
Date : February 15, 2024

Velotio Technologies Private Limited
Statement of Profit and Loss for the period ended December 31, 2023

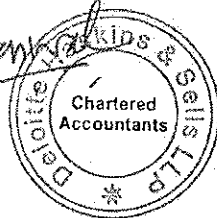
Particulars	Notes	(Rs. in million, except per share data)	
		Period ended December 31, 2023	Year ended March 31, 2023
Income			
I Revenue from operations	21	1,005.78	1,284.56
II Other income	22	8.50	6.33
III Total income (I+II)		1,014.28	1,290.89
IV Expenses			
(i) Employee benefits expense	23	751.74	776.73
(ii) Finance costs	24	3.16	5.29
(iii) Depreciation and amortisation expenses	25	22.74	28.91
(iv) Other expenses	26	275.47	229.16
Total expenses (IV)		1,053.11	1,040.09
V Profit/ (Loss) before tax (III-IV)		(38.83)	250.80
VI Tax expense			
(i) Current tax	27	57.90	72.69
(ii) Deferred tax credit		(38.27)	(8.43)
Total tax expense		19.63	64.26
VII Profit/ (Loss) for the period/ year (V-VI)		(58.46)	186.54
VIII Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurements of the defined benefit plans		(3.33)	0.41
Deferred tax relating to re-measurements of the defined benefit plans		0.84	(0.10)
Total Other comprehensive income/(loss)		(2.49)	0.31
IX Total comprehensive income/ (loss) for the period/ year (VII-VIII)		(60.95)	186.85
X Earning per share (EPS) (Not annualised for the period ended December 31, 2023)			
Equity share of par value of Re 1/- each			
Basic		(527.56)	1,683.38
Diluted		(527.56)	1,683.38

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Nand Sardana
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Place : NOIDA
Date : February 15, 2024

Velotio Technologies Private Limited
Cash Flow Statement for the period ended December 31, 2023

Particulars	(Rs in million)	
	For the period ended December 31, 2023	For the Year ended March 31, 2023
A. Cash flows from operating activities		
Profit/ (loss) for the period/ year	(58.46)	186.54
Adjustments for:		
Tax expense	19.63	64.26
Depreciation and amortisation expenses	22.74	28.91
Provision for/ (reversal from) doubtful debts (net)	(0.62)	15.64
Liabilities written off	(2.30)	(1.40)
Unrealised loss / (gain) on derivative instruments	(4.00)	3.85
Interest income	(3.79)	(4.91)
Loss / (Profit) on sale / disposal of property, plant and equipment (net)	0.29	(0.02)
Interest expenses	3.16	5.29
Operating profit/ (loss) before working capital changes	(23.35)	298.16
Movements in working capital:		
(Increase) / Decrease in trade receivables	(21.08)	(59.02)
(Increase) / Decrease in other assets	14.92	(18.13)
Increase / (Decrease) in provisions	10.78	23.24
Increase / (Decrease) in trade payables and other liabilities	88.26	(48.31)
Cash generated from operations	69.53	195.94
Direct taxes paid, net of refunds	(97.11)	(33.43)
Net cash from/(used) in operating activities (A)	(27.58)	162.51
B. Cash flows from investing activities		
Purchase of Property, plant and equipment	(5.68)	(10.04)
Proceeds from sale of Property, plant and equipment	0.09	0.08
Investment in fixed deposits with scheduled banks (net)	-	(15.00)
Interest received	2.94	4.03
Acquisition of Subsidiary company (refer to note 4)	(42.50)	-
Net cash used in investing activities (B)	(45.15)	(20.93)
C. Cash flows from financing activities		
Payment of lease liabilities (refer to note 14)	(11.94)	(15.20)
Net cash used in financing activities (C)	(11.94)	(15.20)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(84.67)	126.38
Add: Cash and cash equivalents at the beginning of the period/ year	163.80	37.42
Cash and cash equivalents at the end of the period/ year (refer to Note 9)	79.13	163.80

Notes forming integral part of the special purpose financial statements

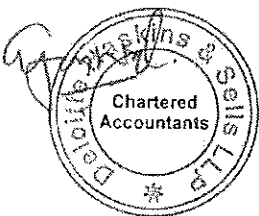
1-35

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Jitendra Agarwal
Partner
Membership No. 87104



Place : NOIDA
Date : February 15, 2024

For and on behalf of the Board of Directors of
Velotio Technologies Private Limited

Kalpak Shah
Director & Chief Executive Officer
DIN: 2940976

Place : Pune
Date : February 15, 2024

Nand Sardana
Director
DIN: 09592752

Place : NOIDA
Date : February 15, 2024

Velotio Technologies Private Limited
Statement of Changes in Equity for the period ended December 31, 2023

A. 1. Equity share capital

(Rs. in million)

Balance as at April 01, 2023	Changes in equity share capital during the period	Balance as at December 31, 2023
0.11	-	0.11

Balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
0.11	-	0.11

2. Optionally convertible redeemable preference shares (OCRPS) classified as Equity (refer to note 12.2)

(Rs. in million)

Balance as at April 01, 2023	Changes in OCRPS during the period	Balance as at December 31, 2023
-	0.12	0.12

Balance as at April 01, 2022	Changes in OCRPS during the year	Balance as at March 31, 2023
-	-	-

B. Other equity

(Rs. in million)

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
Balance as at April 01, 2023	295.96	295.96
Profit/ (loss) for the period	(58.46)	(58.46)
Other comprehensive income/(loss) for the period	(2.49)	(2.49)
Less: Issue of optionally convertible redeemable preference shares (refer to note 12.2)	(0.12)	(0.12)
Balance as at December 31, 2023	234.89	234.89
Balance as at April 01, 2022	109.11	109.11
Profit/ (loss) for the year	186.54	186.54
Other comprehensive income/ (loss) for the year	0.31	0.31
Balance as at March 31, 2023	295.96	295.96

Loss of Rs. 2.49 million and gain of Rs. 0.31 million on remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings for the period ended December 31, 2023 and year ended March 31, 2023, respectively.

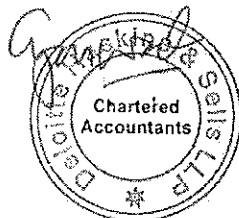
Notes forming integral part of the special purpose financial statements

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For DELOITTE HASKINS & SELLS LLP
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Jitendra Agarwal
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Place : NOIDA
Date : February 15, 2024



For and on behalf of the Board of Directors of
Velotio Technologies Private Limited

Kalpak Shah
Director & Chief Executive Officer
DIN: 2940976

Place : Pune
Date : February 15, 2024

Nand Sardana
Director
DIN: 09592752

Place : NOIDA
Date : February 15, 2024

Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

1. Nature of operations

Velotio Technologies Private Limited (the 'Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013 since 2016 having its registered office at Pune. The Company is specializes in helping technology companies build massive engineering teams. With the aim of helping the startups the Company has built a massive high performing offshore team, with the thrust on applying proven processes and latest technologies. The Company strives to solve complex tech problems and have a specialised skillset in Cloud and DevOps, Data Engineering, Media and Streaming and development of Web and Mobile Applications.

2. Material Accounting Policies

(a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Company's first Ind AS financial statements. The date of transition is April 1, 2022. Previous period's numbers in the financial statements have been restated to Ind AS.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency. All amounts have been presented in millions and rounded-off upto two decimal places, unless otherwise indicated.

(c) Basis of preparation and presentation

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis except for certain financial instruments, net defined benefit obligations and other long-term employee benefits which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs 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.

When part of an item of property plant and equipment has different useful lives, they are accounted for as separate items (major component) of property plant and equipment. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from disposal or retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

Amounts paid towards the acquisition of property, plant and equipment not received till the reporting date and the cost of property, plant and equipment received but not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

(e) Depreciation

Depreciation is calculated on cost of items of Property, Plant and Equipment less their estimated residual values using the straight line method ('SLM') over the useful lives of the assets estimated by the management. The assets residual values and useful lives are reviewed at each period end or whenever there are indicators for review, and adjusted prospectively.

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets and are in align with Part C of Schedule II of the Companies Act 2013.

The management estimates the useful lives for the Property, Plant and Equipment as follows:

<u>Category</u>	<u>Useful life</u>
Leasehold improvements	Lower of lease period or useful life
Office Equipment (other than end user devices)	5 years
Computer hardware and network installations (other than end user devices)	6 years
End-user devices such as desktop, laptop, mobile phones etc.	3 years
Furniture and fittings	10 years
Vehicles	8 years.
Building	30 years

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

A summary of amortisation policies applied to the company's intangible assets are as below:

<u>Category</u>	<u>Useful life</u>
Licences and franchise (Customer Relationship)	5 years

(g) Financial instruments

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

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



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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the 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.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction



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costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

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

Investments in equity instruments, other than investment in subsidiary, are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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

(v) Investment in subsidiary and associate companies

Investment in subsidiary and associate companies is measured at cost.

De-recognition of financial assets

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

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

Foreign exchange gains and losses

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

- (i) For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.



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- (ii) Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- (iii) For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(i) Financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. The change in measurements is recognised as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all change recognised in the statement of profit and loss.

De-recognition of financial liabilities

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

(j) Impairment

i. Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

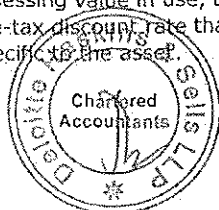
ii. Impairment of investment in subsidiary and associates:

The Company assesses investments in associates for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in associates. The recoverable amount of such investment is the higher of its fair value less cost of disposal and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

iii. Non-financial assets

The Company's non-financial assets, excluding deferred tax assets, are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.



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(k) Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

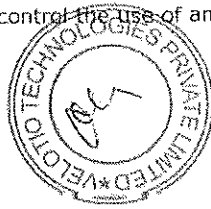
Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(l) Leases

Where the Company is a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and furniture. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.



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To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

(m) Revenue recognition

The Company derives revenue primarily from software development and related services. The Company recognises revenue when the performance obligations as promised have been satisfied with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration.

The Company has applied the guidance in Ind AS 115, "Revenue from Contracts with Customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering these services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company collects Goods and Service Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between



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input and productivity. Maintenance revenue is recognised rateably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred as unearned revenues).

Unbilled revenue for fixed price contracts are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones. Unbilled revenue on contracts other than above is classified as a financial asset

(n) Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency of the Company, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

Exchange differences

Exchange differences arising on conversion / settlement of foreign currency monetary items, exchange gain/loss on forward contracts are recognized as income or expenses in the period in which they arise.

(o) Other income

Other income is comprised primarily of interest income, net gain on foreign exchange fluctuations. Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate. Dividend income is recognised when the Company's right to receive dividend is established.

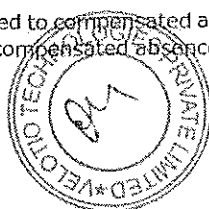
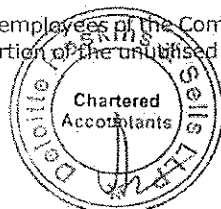
(p) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all related employee benefits. The related risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

- (i) The Company's contribution to social security plans such as provident fund, employee state insurance scheme etc. are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.
- (ii) Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss except for the re-measurements comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to statement of profit and loss subsequently.
The provision for gratuity recognised in the balance sheet represents the present value of the defined benefit obligations.

(iii) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unused accumulating compensated absences and utilise it in future periods or receive



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cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. The actuarial gains and losses are recognised in the statement of profit and loss. Non-accumulating compensated absences are recognised in the period in which the absences occur.

The Company presents the entire Compensated absences liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(q) Income taxes

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(r) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources. The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.



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

(s) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

(u) Business Combination, Goodwill and Intangible assets

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs incurred in connection with a business combination are expensed as incurred.

a. Goodwill

The excess of the cost of acquisition over the company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in capital reserve.

b. Intangible assets

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(v) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

(w) Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of period. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



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Critical accounting estimates

i. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

ii. Impairment of investments

The Company reviews its carrying value of investments at each Balance Sheet date, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iii. Employee benefit plans

The present value of provision for gratuity and compensated absence is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, provision for gratuity and compensated absence is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



3 (a). Property, plant and equipment					(Rs. in million)
Particulars	Furniture and fittings	Computer Hardware	Vehicles	Office equipment	Total
At cost					
Gross Block					
As at April 1, 2022	2.98	28.38	14.42	1.74	47.52
Additions	0.04	10.49	-	0.06	10.59
Disposals	-	(0.10)	-	-	(0.10)
As at March 31, 2023	3.02	38.77	14.42	1.80	58.01
Additions	-	6.27	-	0.22	6.49
Disposals	(0.96)	(9.89)	-	(0.91)	(11.76)
As at December 31, 2023	2.06	35.15	14.42	1.11	52.74
Accumulated Depreciation					
As at April 1, 2022	0.98	14.75	1.04	1.15	17.92
Charge for the year	0.31	8.56	1.80	0.17	10.84
Disposals	-	(0.03)	-	-	(0.03)
As at March 31, 2023	1.29	23.28	2.84	1.32	28.73
Charge for the period	0.24	7.38	1.36	0.19	9.17
Disposals	(0.83)	(9.63)	-	(0.91)	(11.37)
As at December 31, 2023	0.70	21.03	4.20	0.60	26.53
Net block					
As at April 1, 2022	2.00	13.63	13.38	0.59	29.60
As at March 31, 2023	1.73	15.49	11.58	0.48	29.28
As at December 31, 2023	1.36	14.12	10.22	0.51	26.21

Notes:

i) Capital commitments:

Particulars	(Rs. in million)		
	As at December 31, 2023	As at March 31, 2023	As at April 1, 2022
Estimated amount of unexecuted capital contracts (A)	-	0.15	0.70
Capital advances (B) (refer to note 7)	-	0.15	0.70
Net capital commitment (A-B)	-	-	-

ii) The gross block of certain category of assets of Property, Plant and Equipment as at 01 April, 2022 are not the same as the amounts appearing in the audited financial statements for the year ended 31 March, 2023; the difference being on account of certain errors which have been corrected in this special purpose financial statements. Also refer Note-34.

3 (b) Goodwill		(Rs. in million)
Particulars		Total
As at April 1, 2022		1.23
As at March 31, 2023		1.23
As at December 31, 2023		1.23



(Rs. in million)	
Particulars	Total
3 (c) Intangible assets	
At cost	
Licences and franchise	
Gross Block	
As at April 1, 2022	17.05
As at March 31, 2023	17.05
As at December 31, 2023	17.05
Accumulated amortisation	
As at April 1, 2022	0.01
Charge for the year	3.41
As at March 31, 2023	3.42
Charge for the period	2.57
As at December 31, 2023	5.99
Net Block	
As at April 1, 2022	17.04
As at March 31, 2023	13.63
As at December 31, 2023	11.06

(Rs. in million)	
Particulars	Total
3 (d) Right-of-use assets	
At cost	
Building	
Gross block	
As at April 1, 2022	43.38
As at March 31, 2023	43.38
As at December 31, 2023	43.38
Accumulated depreciation	
As at April 1, 2022	-
Charge for the year	14.66
As at March 31, 2023	14.66
Charge for the period	11.00
As at December 31, 2023	25.66
Net Block	
As at April 1, 2022	43.38
As at March 31, 2023	28.72
As at December 31, 2023	17.72



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. in million)		
	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
4. Investments			
Non Current Investment			
Investment in subsidiaries, measured at cost			
Investment in Scaleworx Technologies Private Limited (Refer below note)			
14,666 (March 31, 2023: Nil and April 1, 2022: Nil) shares of Rs 10 each	52.51	-	-
Total investment in subsidiaries	52.51	-	-
Investment in associates, measured at cost			
Investment in Scaleworx Technologies Private Limited (Refer below note)			
Nil (March 31, 2023: 5,866 and April 1, 2022: 5,866) shares of Rs 10 each	-	10.01	10.01
Total investment in associates	-	10.01	10.01
Total investments measured at cost	52.51	10.01	10.01
Total Non current investment	52.51	10.01	10.01

Note:

Till November 30, 2023, the Company held 40% equity share capital of Scaleworx Technologies Private Limited ("Scaleworx"), an erstwhile associate of the Company. On December 1, 2023, the Company has acquired the remaining 60% equity share capital of Scaleworx at a purchase consideration of Rs. 42.50 million. Subsequent to the aforesaid acquisition, Scaleworx has become a wholly-owned subsidiary of the Company.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. In million)		
	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
5. Other non-current financial assets			
Unsecured, considered good			
Security deposits	8.20	7.62	6.93
Margin money deposits (refer to Note 9b)	43.00	43.00	28.00
Interest accrued on bank deposits	0.66	0.39	0.19
	51.86	51.01	35.12
6. Non Current tax assets			
Unsecured, considered good			
Advance income tax	8.59	-	12.14
	8.59	-	12.14
7. Other non-current assets			
Unsecured, considered good			
Capital advances	-	0.15	0.70
Prepaid expenses	-	-	0.58
	-	0.15	1.28
8. Trade receivables			
Unsecured, considered good	257.27	235.57	192.18
Unsecured, credit impaired	10.22	10.84	0.31
Less: Allowance for doubtful debts (expected credit loss allowance)	(10.22)	(10.84)	(0.31)
	257.27	235.57	192.18

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at December 31, 2023							
Undisputed, considered good	133.93	120.89	2.45	-	-	-	257.27
Undisputed, credit impaired	0.06	0.13	2.31	7.72	-	-	10.22
Disputed, credit impaired	-	-	-	-	-	-	-
As at March 31, 2023							
Undisputed, considered good	124.28	106.08	5.21	-	-	-	235.57
Undisputed, credit impaired	0.84	3.94	6.06	-	-	-	10.84
Disputed, credit impaired	-	-	-	-	-	-	-

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Particulars	Ageing*					
	Not due	0-90 days	90-180 days	180-365 days	More than 365 days	
Default rate as at December 31, 2023	0.04%	0.07%	0.54%	1.04%	2.00%	
Default rate as at March 31, 2023	0.04%	0.07%	0.54%	1.04%	2.00%	

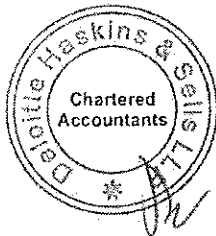
* In case of probability of non-collection, credit loss rate is 100%

Movement in expected credit loss allowance	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
Balance at the beginning of the period/ year	10.84	0.31
Provision for/ (reversal from) doubtful debts (net)	(0.62)	15.64
Bad debts written off	-	(5.11)
Balance at the end of the period/ year	10.22	10.84



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. in million)		
	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
9a. Cash and cash equivalents			
(a) Cash on hand	-	0.01	0.02
(b) Balances with scheduled banks			
(i) In current accounts	43.90	163.79	37.40
(ii) Deposit accounts with original maturity of less than 3 months	35.23	-	-
Cash and cash equivalents	79.13	163.80	37.42
9b. Bank balances other than cash and cash equivalents			
(a) In other deposit accounts			
(i) held as margin money	43.00	43.00	28.00
Deposits with banks carried at amortised costs	43.00	43.00	28.00
Less: Margin money deposit disclosed under Note 5	(43.00)	(43.00)	(28.00)
Bank balances other than cash and cash equivalents	-	-	-
9c. Cash and Bank balances			
A. Cash on Hand	-	0.01	0.02
Balances with scheduled banks			
B. In current accounts			
HDFC Bank Limited	43.90	163.79	37.40
	43.90	163.79	37.40
C. In deposit accounts			
HDFC Bank Limited	78.23	43.00	28.00
	78.23	43.00	28.00
Total cash and bank balances (A+B+C)	122.13	206.80	65.42
Cash and cash equivalents (refer to Note 9a)	79.13	163.80	37.42
Deposits with banks (refer to Note 9b)	43.00	43.00	28.00
Total cash and bank balances	122.13	206.80	65.42
10. Other current financial assets			
Staff advance	2.86	3.84	1.21
Unbilled revenue (refer to note 21)	6.21	21.12	10.27
Interest accrued on bank deposits	0.02	-	-
	9.09	24.96	11.48
11. Other current assets			
Balance with indirect tax authorities	33.54	37.88	34.46
Unbilled revenue (refer to note 21)	2.24	-	-
Prepaid expenses	5.56	2.50	0.70
	41.34	40.38	35.16



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. in million)		
	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
12.1 Equity Share capital			
Authorised			
375,000 (March 31, 2023: 500,000 and April 01, 2022: 500,000) equity shares of Re. 1 each	0.38	0.50	0.50
	0.38	0.50	0.50
Issued, subscribed and fully paid up			
110,813 (March 31, 2023: 110,813 and April 01, 2022: 110,813) equity shares of Re. 1 each	0.11	0.11	0.11
	0.11	0.11	0.11

Notes:

(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the period/ year:

Particulars	As at December 31, 2023		As at March 31, 2023	
	Number of shares	Rs in million	Number of shares	Rs in million
At the beginning of the period/ year	110,813	0.11	110,813	0.11
Issue of shares during the period/ year	-	-	-	-
Outstanding at the closing of the period/ year	110,813	0.11	110,813	0.11

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company:

All the shares are held by the holding company "R Systems International Limited" post acquisition on 3rd July 2023. Also refer to note 32 with respect to ultimate holding company.

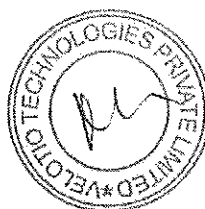
(d) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at December 31, 2023		As at March 31, 2023		As at April 01, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
R Systems International Limited	110,813	100.00%	-	-	-	-
Kalpik Shah	-	-	50,000	45.12%	50,000	45.12%
Chirag Jog	-	-	50,000	45.12%	50,000	45.12%
Madhur Nawandhar	-	-	9,419	8.50%	9,419	8.50%

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

(e) Shareholding of promoters

Name of promoter	As at December 31, 2023		As at March 31, 2023		Percentage change during the period/ year ended December 31, 2023
	No. of shares held	% of Holding	No. of shares held	% of Holding	
Promoters:					
R Systems International Limited	110,813	100.00%	-	-	100.00%
Kalpik Shah	-	-	50,000	45.12%	(100.00)%
Chirag Jog	-	-	50,000	45.12%	(100.00)%



(Rs. in million)

Particulars	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
12.2 Convertible preference Share capital			
Authorised			
125,000 (March 31, 2023: Nil and April 01, 2022: Nil) Preference Shares known as optionally convertible redeemable preference shares (OCRPS) of Re. 1 each	0.13	-	-
	0.13	-	-
Issued, subscribed and fully paid up			
0.0001% Non cumulative optionally convertible redeemable preference Shares (OCRPS) 123,850 (March 31, 2023: Nil and April 01, 2022: Nil) OCRPS of Re. 1 each	0.12	-	-
	0.12	-	-

Notes:**(a) Reconciliation of number of shares and amount of share capital outstanding at the beginning and at the closing of the period/ year:**

Particulars	As at December 31, 2023		As at March 31, 2023		As at April 01, 2022	
	Number of shares	Rs in million	Number of shares	Rs in million	Number of shares	Rs in million
At the beginning of the period/ year	-	-	-	-	-	-
Issue of shares during the period/ year	123,850	0.12	-	-	-	-
Outstanding at the closing of the period/ year	123,850	0.12	-	-	-	-

(b) Terms/rights attached to optionally convertible redeemable preference shares:

The Company has only one class of 0.0001% Non cumulative optionally convertible and redeemable preference shares having par value of Re. 1 per share. The OCRPS may be converted into equity shares. The holders of the OCRPS shall not have the right to participate in dividend along with the holders of Equity Share.

(c) Details of optionally convertible redeemable preference shareholders holding more than 5% shares in the Company (Rs. in million)

Name of shareholder	As at December 31, 2023		As at March 31, 2023		As at April 01, 2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Kalpesh Shah	55,881	45.12%	-	-	-	-
Chirag Jog	55,881	45.12%	-	-	-	-
Madhur Nawandhar	10,527	8.50%	-	-	-	-

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

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**Bonus Issue:**

On June 02, 2023, the Company has allotted bonus shares in the form of Optionally convertible redeemable preference shares ("OCRPS") of Re. 1/- each in ratio of 1.12:1 [i.e. 1.12 fully paid up Optionally Convertible Redeemable Preference Shares for every 1 equity share held.]. The OCRPS are allocated by capitalization of profits transferred from retained earnings amounting to Rs 0.12 million.

(Rs. in million)

Particulars	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
13. Other equity			
Retained earnings	234.89	295.96	109.11
	234.89	295.96	109.11

Note:

Period/ year-wise movement of the individual line items above is given in the Statement of Changes in Equity.

14. Lease liabilities

Current	15.55	13.91	11.92
Non-current	3.40	15.32	29.22
Total	18.95	29.23	41.14

Movement schedule of lease liabilities is as follows:

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
Opening balance	29.22	41.14
Interest accrued on lease liabilities	1.67	3.28
Payment of lease liabilities	(11.94)	(15.20)
Closing balance	18.95	29.22



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

(Rs. in million)

Particulars	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
15. Provisions (non-current)			
Provision for employee benefits			
- Gratuity	33.81	24.88	15.39
	33.81	24.88	15.39

Refer to Note 23 for detailed disclosures for gratuity.

16. Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	-	2.19	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	19.68	9.70	18.87
	19.68	11.89	18.87

Trade payables ageing schedule:

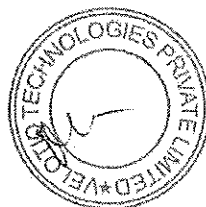
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
As at December 31, 2023					
Micro enterprises and small enterprises	-	-	-	-	-
Others	2.16	-	-	-	2.16
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	2.16	-	-	-	2.16
Accrued expenses	-	-	-	-	17.52
					19.68

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
As at March 31, 2023					
Micro enterprises and small enterprises	2.19	-	-	-	2.19
Others	6.51	0.05	-	-	6.56
Disputed dues- Micro enterprises and small enterprises	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
	8.70	0.05	-	-	8.75
Accrued expenses	-	-	-	-	3.14
					11.89

Dues to micro, small and medium enterprises

Based upon the information and the supplier profile available with the Company, the management believes that there are no dues to such suppliers.

Particulars	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	Nil	2.19	Nil
The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting period; and	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the period ended December 31, 2023

(Rs. in million)

Particulars	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
17. Other current financial liabilities			
Payable to Related parties (Refer to note 32)	4.80	26.43	21.25
Mark-to-market loss on derivative instruments	0.46	4.45	0.60
Employee benefits payable	247.55	88.86	109.64
Capital Creditors	0.65	-	-
Payable for acquisition of business	-	-	22.00
	253.46	119.74	153.49
18. Other current liabilities			
Statutory dues payable	11.76	83.44	88.57
Unearned Revenues (Refer Note 21)	12.80	-	-
	24.56	83.44	88.57
19. Provisions (current)			
Provision for employee benefits			
- Gratuity	4.66	1.56	0.96
- Compensated absences	13.29	12.98	0.24
Provision for CSR	1.76	-	-
	19.71	14.54	1.20
Refer to Note 23 for detailed disclosures for gratuity.			
20. Current tax liabilities			
Current tax liability	-	29.12	-
	-	29.12	-



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
21. Revenue from operations		
Sale of services	1,005.78	1,284.56
	1,005.78	1,284.56

Disaggregate revenue information

The table below presents disaggregated revenues from the Company's contracts with customers by geography. The Company believes this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenue by geography:

India	86.82	189.48
North America	890.55	1,070.08
South East Asia	24.64	19.04
Europe	3.77	4.24
Others	-	1.72
	1,005.78	1,284.56

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts as revenue. Applying the practical expedients as given in IND AS 115, the Company has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialised and adjustments for currency.

Disclosure relating to remaining performance obligation relating to fixed bid price contracts require the aggregate amounts of transaction price yet to be recognised as revenue at the reporting date and expected timelines to recognise these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

22. Other income

Interest income on		
- Bank deposit	3.12	3.69
- Financial instruments measured at amortised cost	0.56	0.69
- Income tax refund	0.11	0.53
Rental Income	1.79	-
Profit on sale / discarding of property, plant and equipment (net)	-	0.02
Liabilities written back	2.30	1.40
Provision reversed from doubtful debts (net)	0.62	-
Total other income	8.50	6.33



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
23. Employee benefits expense		
Salaries, wages and bonus	720.20	738.61
Gratuity expenses	9.42	11.78
Contribution to provident and other funds	7.84	9.52
Staff welfare expenses	14.28	16.82
	751.74	776.73

(a) The Code on Social Security, 2020 (the 'Code')

The Code relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and was published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and corresponding rules, and will record any related impact in the period when they become effective.

(b) Gratuity

The Company has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with "Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company. Amount recognised in the statement of profit and loss in respect of gratuity cost (defined benefit obligation) is as follows:

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
Service cost	8.01	10.78
Net interest cost	1.41	1.00
Net gratuity expense recognised in profit and loss	9.42	11.78
Re-measurement loss / (gain) recognised in other comprehensive income	3.33	(0.41)
Total Cost Recognised in total comprehensive income	12.75	11.37

Details of defined benefit gratuity plan:

Particulars	(Rs. in million)	
	As at December 31, 2023	As at March 31, 2023
Defined benefit obligation	38.47	26.44
Fair value of plan assets	-	-
Net defined benefit obligation	38.47	26.44

Changes in the defined benefit obligation are as follows:

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
Opening defined benefit obligation	26.44	16.35
Service cost	8.01	10.78
Interest cost	1.41	1.00
Benefits paid	(0.72)	(1.28)
Actuarial (gains) / losses on obligation	3.33	(0.41)
Closing defined benefit obligation	38.47	26.44



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the period ended December 31, 2023

Amounts recognised in other comprehensive income (OCI):		(Rs. in million)
Particulars	Period ended December 31, 2023	Year ended March 31, 2023
Actuarial (gain) / loss due to change in demographic assumption of defined benefit obligation	-	(0.82)
Actuarial (gain) / loss due to change in financial assumption of defined benefit obligation	0.18	(1.26)
Actuarial (gain) / loss from change in experience adjustment of defined benefit obligation	3.15	1.67
Re-measurement loss / (gain) recognised in OCI	3.33	(0.41)

Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions is given below:

		(Rs. in million)	
Defined Benefit Obligation	As at December 31, 2023	As at March 31, 2023	
Discount rate			
a. Discount rate - 100 basis points	40.41	27.83	
b. Discount rate + 100 basis points	36.69	25.15	
Salary increase rate			
a. Rate - 100 basis points	36.80	25.44	
b. Rate + 100 basis points	40.20	27.47	

Maturity Profile of Defined Benefit Obligation

		(Rs. in million)	
Expected Future Cash flows (undiscounted)	As at December 31, 2023	As at March 31, 2023	
Year 1	4.65	1.56	
Year 2	5.25	2.95	
Year 3	5.62	4.34	
Year 4	6.20	5.63	
Year 5	5.59	8.28	
Year 6 to10	17.76	43.73	
Above 10 years	12.95		

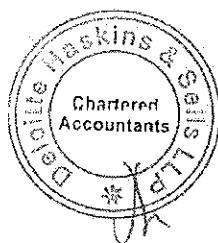
The principal assumptions used in determining gratuity are shown below:

(A) Financial Assumptions

	As at December 31, 2023	As at March 31, 2023
Discount rate	7.20%	7.30%
Salary Increment rate	10.00%	10.00%

(B) Demographic Assumptions

	As at December 31, 2023	As at March 31, 2023
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate	22%	22%
Retirement age	60 Yrs.	60 Yrs.



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
24. Finance costs		
Interest expense on lease liabilities (Refer to note 14)	1.67	3.28
Interest expense under income tax	1.49	2.01
	3.16	5.29
25. Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	9.17	10.84
Depreciation on right-of-use assets	11.00	14.66
Amortisation of intangible assets	2.57	3.41
	22.74	28.91
26. Other expenses		
Power and fuel	1.57	2.11
Rent - equipment	-	0.05
Software subscription charges	0.35	1.41
Repair and maintenance- others	1.55	2.64
Traveling and conveyance	5.00	6.65
Communication costs	0.71	1.18
Legal and professional fees (including subcontracting expenses)	247.14	177.79
Auditors' remuneration (refer detail below)	3.89	0.38
Foreign exchange fluctuation (net)	0.77	6.74
Provision for doubtful debts (net)	-	15.64
Loss on sale / disposal of property, plant and equipment (net)	0.29	-
Contribution towards corporate social responsibility	1.76	0.95
Miscellaneous expenses	12.44	13.62
	275.47	229.16

Detail of auditors remuneration

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
As auditor:		
- Statutory audit fee	-	0.38
- Quarterly audit fee	3.50	-
- Tax audit fee	0.18	-
- Out-of-pocket expenses	0.11	-
- Others	0.10	-
	3.89	0.38



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
27. Income tax		
Current income tax		
In respect of the current period/ year	57.90	72.69
Deferred tax credit	(38.27)	(8.43)
Income tax expense recognised in the statement of profit and loss	19.63	64.26
Income tax recognised in other comprehensive income	(0.84)	0.10
Deferred tax relating to re-measurements of the defined benefit plans	18.79	64.36

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Profit/ (Loss) before tax	(38.83)	250.80
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	(9.77)	63.12
Tax effect of:	29.55	0.74
Expenses that are not deductible in determining taxable profit	(0.15)	0.40
Others	19.63	64.26
Income tax expense recognised in the statement of profit and loss		

Particulars	(Rs. in million)			
	As at April 01, 2023	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at December 31, 2023
Property, plant and equipment and Intangible assets	(1.15)	0.94	-	(0.21)
Right-of-use assets and lease liabilities	0.52	0.04	-	0.56
Provision for/ (reversal from) doubtful debts (net)	2.95	(0.38)	-	2.57
Provision for gratuity	6.65	2.19	0.84	9.68
Other employee benefits	5.17	31.40	-	36.57
Mark-to-market loss/ (gain) on derivative instruments	1.12	(1.02)	-	0.11
Other temporary difference	(5.09)	5.09	-	-
Total	10.17	38.27	0.84	49.28

Particulars	(Rs. in million)			
	As at April 01, 2022	Credited / (Charged) to profit and loss	Credited / (Charged) in other comprehensive income	As at March 31, 2023
Property, plant and equipment and Intangible assets	(0.53)	(0.62)	-	(1.15)
Right-of-use assets and lease liabilities	-	0.52	-	0.52
Provision for/ (reversal from) doubtful debts (net)	0.08	2.87	-	2.95
Provision for gratuity	4.11	2.64	(0.10)	6.65
Other employee benefits	1.43	3.74	-	5.17
Mark-to-market gain on derivative instruments	0.15	0.97	-	1.12
Other temporary difference	(3.40)	(1.69)	-	(5.09)
Total	1.84	8.43	(0.10)	10.17



Velotio Technologies Private Limited

Notes to the special purpose financial statements for the period ended December 31, 2023

28. Earning per share (EPS) (Not annualised for the period ended December 31, 2023)

Particulars	Period ended December 31, 2023	Year ended March 31, 2023
Basic Earning per share (EPS)		
Net profit after tax (Rs. in million)	(58.46)	186.54
Weighted average number of equity shares for calculating Basic EPS	110,813	110,813
Earnings per share (Equity share of par value of Re. 1/- each)		
Basic EPS (Rs.)	(527.56)	1,683.38
Diluted Earning per share (EPS)		
Net profit after tax (Rs. in million)	(58.46)	186.54
Weighted average number of equity shares for calculating Diluted EPS	110,813	110,813
Earnings per share (Equity share of par value of Re. 1/- each)		
Diluted EPS (Rs.)	(527.56)	1,683.38



29. Financial instruments

The carrying values and fair values of financial instruments by categories are as follows:

Particulars	Note reference	Basis of measurement	(Rs. in million)						
			As at December 31, 2023		As at March 31, 2023		As at April 01, 2022		Fair value hierarchy
			Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	
Assets									
Investments	4	At cost	52.51	52.51	10.01	10.01	10.01	10.01	
Trade receivables	6	Amortised cost	257.27	257.27	235.57	235.57	192.18	192.18	
Cash and cash equivalents	9a	Amortised cost	79.13	79.13	163.80	163.80	37.42	37.42	
Other financial assets (Other than derivative instruments)	5,10	Amortised cost	60.95	60.95	75.97	75.97	46.60	46.60	
Total			449.86	449.86	485.35	485.35	286.21	286.21	
Liabilities									
Lease liabilities	14	Amortised cost	18.95	18.95	29.23	29.23	41.14	41.14	
Trade payables	16	Amortised cost	19.68	19.68	11.89	11.89	18.87	18.87	
Mark-to-market loss on derivative instruments	17	FVTPL	0.46	0.46	4.45	4.45	0.60	0.60	Level 2
Other financial liabilities (Other than derivative instruments)	17	Amortised cost	253.00	253.00	115.29	115.29	152.89	152.89	
Total			292.09	292.09	160.86	160.86	213.50	213.50	

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

There have been no transfers among Level 1, Level 2 and Level 3 during the period.



30. Financial risk management**Financial risk factors and risk management objectives**

The Company's activities expose it to foreign currency risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by team that has the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Foreign currency risk

The Company's exchange risk arises from its foreign currency revenue i.e. in U.S. Dollars. A significant portion of the Company's revenues are in US Dollar, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Rupees may decrease or vice versa.

Derivative financial instruments

The Company holds foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has not applied hedge accounting as these forward contracts do not qualify for hedge accounting. As at December 31, 2023, the Company has recognised mark-to-market liability of Rs 0.46 million (March 31, 2023: mark-to-market liability of Rs 4.45 million and April 01, 2022: mark-to-market liability of Rs 0.60 million) relating to aforesaid foreign currency forward contracts resulting in to mark-to-market gain of Rs. 4.00 million for the period ended December 31, 2023 and mark-to-market loss of Rs 3.85 million for the year ended March 31, 2023 recorded as foreign exchange fluctuation.

The following table gives details in respect of outstanding foreign currency forward contracts:

Particulars	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
USD			
Foreign currency- USD (million)	2.45	1.70	2.43
Average rate	83.27	80.29	77.41
Rupees (million)	204.01	136.50	187.71

The following table analyses Company's foreign currency exposure from non-derivative financial instruments as of December 31, 2023 and March 31, 2023:

Particulars	(Rs. in million)		
	As at December 31, 2023	As at March 31, 2023	As at April 01, 2022
Designated in USD:			
Trade receivables	241.89	208.32	158.09
Trade and other payable	1.52	0.59	-

Foreign currency sensitivity analysis

For the period ended December 31, 2023 and year ended March 31, 2023, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would decrease / increase Company's profit/(loss) before tax margin by approximately 0.94% and 0.27% respectively.



30. Financial risk management (contd.)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from deposits held with banks, investments with financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

Particulars	(Rs. in million)	
	Period ended December 31, 2023	Year ended March 31, 2023
Revenue from top customer	123.35	151.57
Revenue from top 5 customers	325.82	480.33

1 (one) customer account more than 10% revenue for period ended December 31, 2023 and 2 (two) customers account more than 10% revenue for year ended March 31, 2023. Further, there is 1 (one) customer that account for more than 10% receivable as at December 2023 and no customer had more than 10% of the receivable as at March 31, 2023.

Investments including bank deposits

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks. Investments primarily includes investment in fixed deposit.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus cash is governed by the Company's investment policy approved by the Board of Directors. The Company believes that the working capital is sufficient to meet its current requirements.

As at December 31, 2023, the Company had a working capital of Rs. 53.87 million including cash and cash equivalents and Fixed deposits of Rs. 79.13 million. As at March 31, 2023, the Company had a working capital of Rs. 192.06 million including cash and cash equivalents and fixed deposits of Rs. 163.79 million. As at April 01, 2022, the Company had a working capital of Rs. 2.16 million including cash and cash equivalents and Fixed deposits of Rs. 37.40 million. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities:

Particulars	(Rs. in million)					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Lease liabilities	16.56	3.42	-	-	-	19.98
Trade payables	19.68	-	-	-	-	19.68
Other financial liabilities	253.46	-	-	-	-	253.46
Total	289.70	3.42	-	-	-	293.12

Particulars	(Rs. in million)					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Lease liabilities	15.96	15.96	-	-	-	31.92
Trade payables	11.89	-	-	-	-	11.89
Other financial liabilities	119.74	-	-	-	-	119.74
Total	147.59	15.96	-	-	-	163.55

Particulars	(Rs. in million)					
	Up to 1 year	1 -2 years	2 -3 years	3 -5 years	More than 5 years	Total
Lease liabilities	15.20	15.96	15.96	-	-	47.12
Trade payables	18.87	-	-	-	-	18.87
Other financial liabilities	153.49	-	-	-	-	153.49
Total	187.56	15.96	15.96	-	-	219.48



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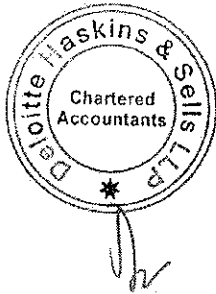
Notes to the special purpose financial statements for the period ended December 31, 2023

31. Capital Management

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

Particulars	(Rs. in million)	
	As at December 31, 2023	As at March 31, 2023
Total equity attributable to the equity share holders of the Company	235.12	296.07
As percentage of total capital	92.54%	91.01%
Lease liabilities (including current maturities)	18.95	29.23
Total lease liabilities	18.95	29.23
As percentage of total capital	7.46%	8.99%
Total capital (equity and lease liabilities)	254.07	325.30

The Company is predominantly equity financed which is evident from the capital structure table above.

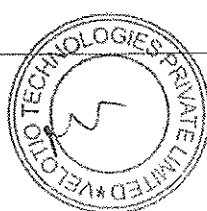


Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

32. Related Party Disclosure

i) Names of related parties:

Ultimate holding company	BCP Asia II Holdco II Pte. Ltd (w.e.f. July 3, 2023)
Holding company	R System Internation Limited. (w.e.f. July 3, 2023)
Subsidiary	Scaleworx Technologies Private Limited (w.e.f. 1 st December 2023)
Fellow Subsidiaries (w.e.f. July 3, 2023)	<p>R Systems (Singapore) Pte Ltd, Singapore R Systems, Inc., USA R Systems Technologies Limited, USA R Systems Consulting Services Limited, Singapore R Systems Computaris International Limited, UK RSYS Technologies Limited, Canada</p> <p>Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore:</p> <ul style="list-style-type: none"> ➤ R Systems IBIZCS Pte. Ltd., Singapore with the following step down subsidiaries: ➤ IBIZ Consulting Services Pte Ltd, Singapore (strike off w.e.f. January 08, 2024) ➤ R Systems IBIZCS Sdn. Bhd., Malaysia ➤ PT RSYSTEMS IBIZCS International, Indonesia ➤ IBIZ Consulting (Thailand) Co. Ltd, Thailand ➤ IBIZ Consulting Services Limited, Hong Kong (IBIZ HK) ➤ IBIZ Consulting Services (Shanghai) Co., Ltd, People's Republic of China (wholly owned subsidiary of IBIZ HK) <p>Following are the subsidiaries of R Systems Consulting Services Ltd, Singapore:</p> <ul style="list-style-type: none"> ➤ R Systems Consulting Services (M) Sdn. Bhd., Malaysia ➤ R Systems Consulting Services (Thailand) Co., Ltd., Thailand ➤ R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China ➤ R Systems Consulting Services (Hong Kong) Limited, Hong Kong ➤ R Systems Consulting Services Kabushiki Kaisha, Japan ➤ R Systems Consulting Services Company Limited, Vietnam (incorporated on October 17, 2022) <p>Following are the subsidiaries of R Systems Computaris International Limited, UK:</p> <ul style="list-style-type: none"> ➤ R Systems Computaris Europe S.R.L., Romania ➤ R Systems Computaris Poland sp z o.o, Poland ➤ R Systems Computaris S.R.L., Moldova ➤ R Systems Computaris Malaysia Sdn. Bhd., Malaysia ➤ R Systems Computaris Philippines Pte. Ltd. Inc., Philippines ➤ R Systems Computaris Suisse Sàrl, Switzerland
Company having Common Directors	Velotio Technologies, Inc. (till March 31, 2023)



Velotio Technologies Private Limited

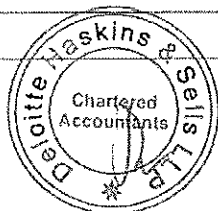
Notes to the special purpose financial statements for the period ended December 31, 2023

Key Management Personnel	<ul style="list-style-type: none"> a) Kalpak Shah, Chief Executive Officer and Director b) Chirag Jog, Chief Technology Officer and Director c) Nitesh Bansal, Director (w.e.f. July 3, 2023) d) Aviraj Jain, Director (w.e.f. July 3, 2023) e) Nand Sardana, Director (w.e.f. July 3, 2023) f) Kapil Dhameja, Independent Director (w.e.f. September 29, 2023) g) Ruchica Gupta, Independent Director (w.e.f. September 29, 2023)
Close family member of Key Management Personnel	<ul style="list-style-type: none"> a) Komal Shah (Related to Kalpak Shah) b) Amrita Jog (Related to Chirag Jog) c) Hemant Jog (Related to Chirag Jog)

ii) Details of transactions with related parties for the period ended December 31, 2023 and March 31, 2023:

(Rs. in million)

Particulars	Period ended December 31, 2023	Year ended March 31, 2023
Revenue from information technology and other services rendered to		
R Systems International Limited	8.65	-
Rental income from		
R Systems International Limited	1.79	-
Travel and other expenses reimbursed by the Company to		
R Systems International Limited	1.26	-
Travel and other expenses reimbursed to the Company by		
R Systems International Limited	0.52	-
Professional fees for technical services		
Scaleworx Technologies private limited	54.92	100.54
R Systems International Limited	0.10	-
Hemant Jog	-	0.14
Amrita Jog	-	0.11
Total	55.02	100.79
Service charges		
Velotio Technologies, Inc	-	1.77
Remuneration		
Short term employee benefits	12.77	156.20
Post-employment benefits	1.36	0.34
Other long-term employee benefits	0.28	0.46
Sitting fee to independent directors	0.10	-
Total	14.51	157.00



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

iii) Outstanding balances of related parties as at December 31, 2023 and March 31, 2023:

(Rs. in million)

Particulars	As at December 31, 2023	As at March 31, 2023
Trade receivables		
R Systems International Limited	0.53	-
Other current financial assets		
R Systems International Limited	2.30	-
Other current financial liabilities		
R Systems International Limited	0.10	-
Scaleworx Technologies private limited	4.70	24.57
Velotio Inc.	-	1.86
Total	4.80	26.43
Balance payable to KMP		
Kalpak Shah	-	0.60
Chirag Jog	0.15	4.66
Ex-gratia Payable		
- Kalpak Shah	-	7.67
- Chirag Jog	-	30.90
- Komal Shah	-	25.80
Total	0.15	69.63



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

33. On June 7, 2023, R Systems International Limited ("R Systems"), the Company and the erstwhile equity shareholders of the Company has entered into a Share Purchase Agreement ("SPA") to acquire 100% equity shares of the Company, as per the terms and conditions as specified in the SPA. The said acquisition was completed on July 03, 2023 and consequently become the subsidiary of R Systems.

Following table provides details of profit and loss of the Company for the period ended December 31, 2023 bifurcated between the total period and period after the date of acquisition:

Particulars	(Rs. in million)		
	April 1, 2023 to 31 Dec, 2023	July 3rd, 2023 to December 31st, 2023	Year ended March 31, 2023
Income			
I Revenue from operations	1,005.78	669.53	1,284.56
II Other income	8.50	7.85	6.33
III Total income (I+II)	1,014.28	677.38	1,290.89
IV Expenses			
(i) Employee benefits expense	751.74	364.29	776.73
(ii) Finance costs	3.16	2.52	5.29
(iii) Depreciation and amortisation expenses	22.74	15.24	28.91
(iv) Other expenses	275.47	105.03	229.16
Total expenses (IV)	1,053.11	487.08	1,040.09
V Profit/ (Loss) before tax (III-IV)	(38.83)	190.30	250.80
VI Tax expense			
(i) Current tax	57.90	32.14	72.69
(ii) Deferred tax credit	(38.27)	19.17	(8.43)
Total tax expense	19.63	51.31	64.26
VII Profit/ (Loss) for the period/ year (V-VI)	(58.46)	138.99	186.54
VIII Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans	(3.33)	(1.67)	0.41
Deferred tax relating to re-measurements of the defined benefit plans	0.84	0.42	(0.10)
Total Other comprehensive Income/(loss)	(2.49)	(1.25)	0.31
IX Total comprehensive income/ (loss) for the period/ year (VII-VIII)	(60.95)	137.74	186.85



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

34. First time adoption of Ind AS

These are the Company's special purpose financial prepared under Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the nine-months period ended December 31, 2023, the comparative information presented in these financial statements for the year ended March 31, 2023 and in the preparation of opening Ind AS balance sheet at April 01, 2022.

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Section 133, of the Act and other relevant provisions contained in the Act (previous GAAP or Indian GAAP). In its transition from previous GAAP to Ind AS, the Company has also availed certain exceptions in accordance with Ind AS 101.

An explanation of how this transition has affected the Company's financial performance and cash flows is set out in the following tables and notes.

A. Exceptions availed in transition from previous GAAP:

a. Estimates

Ind AS estimates as at April 01, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP, unless there is objective evidence that the estimates made under Previous GAAP were in error. The Company made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial assets and liabilities excluding derivatives.
- Impairment of the financial assets based on expected credit loss.

b. De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind-AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements under Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Business Combination

The Company is allowed to choose any date in the past from which it wants to account for the business combinations under Ind AS 103, without having to restate business combinations prior to such date. Accordingly, the Company has applied the standard for all acquisitions completed after April 1, 2022. For all such acquisitions:

- Goodwill previously included within Intangible assets under IGAAP have been recognized separately in the opening Balance Sheet in accordance with Ind AS 103.
- Deferred taxes have been recorded on intangible assets, wherever applicable.
- Goodwill has been restated in accordance with Ind AS 21, with the corresponding impact in the other comprehensive income in equity.
- Retained earnings has been adjusted to include the amortization on identified intangibles, net of taxes, that would have been recorded from the date of acquisition till the transition date.

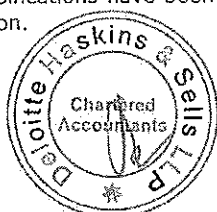
d. Classification and measurement of financial assets

As required under Ind AS 101, the Company has classified and measured the financial assets on the basis of the facts and circumstances existing at the date of transition to Ind AS.

B. Reconciliation between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

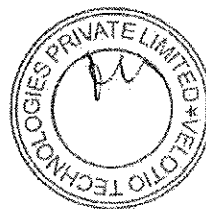
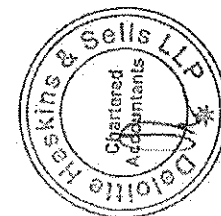
- Equity as at April 01, 2022;
- Equity as at March 31, 2023;
- Total comprehensive income for the year ended March 31, 2023; and
- Explanation of material adjustments to cash flow statements. In the reconciliations mentioned above, certain reclassifications have been made to previous GAAP financial information to align with the Ind AS presentation.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

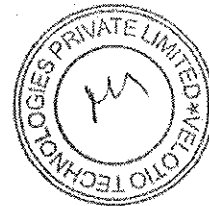
a. Balance sheet reconciliation as at April 01, 2022 and March 31, 2023

Particulars	Notes	As at April 01, 2022			As at March 31, 2023			(Rs. in million)	
		Amount as per previous GAAP	Effect of transition to Ind AS	Rectification of errors	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS		Rectification of errors
ASSETS									
A. Non-current assets									
(a) Property, plant and equipment	1, 8	30.36	(0.76)	-	29.60	30.17	(1.34)	0.45	29.28
(b) Goodwill	3	-	-	1.23	1.23	-	0.25	0.98	1.23
(c) Other intangible assets	8	22.32	-	(5.28)	17.04	14.61	-	(0.98)	13.63
(d) Right-of-use assets	2, 4	-	43.38	-	43.38	-	28.72	-	28.72
(e) Financial assets									
(i) Investments	8	38.01	-	(28.00)	10.01	53.01	-	(43.00)	10.01
(ii) Other financial assets	4	9.17	(2.24)	28.19	35.12	9.17	(1.55)	43.39	51.01
(f) Deferred tax assets (net)	6, 8.	0.49	0.27	1.08	1.84	11.04	1.48	(2.35)	10.17
(g) Non-current tax assets (net)	8	-	-	12.14	12.14	-	-	-	-
(h) Other non-current assets	8	0.58	-	0.70	1.28	2.37	-	(2.22)	0.15
Total non-current assets (A)		100.93	40.65	10.06	151.64	120.37	27.56	(3.73)	144.20
B. Current assets									
(a) Financial assets									
(i) Trade receivables	5, 8	192.68	(0.32)	(0.18)	192.18	247.28	(2.83)	(8.88)	235.57
(ii) Cash and cash equivalents		37.42	-	-	37.42	163.80	-	-	163.80
(iii) Other financial assets	8	-	-	11.48	11.48	3.84	-	21.12	24.96
(b) Other current assets	8	86.19	-	(51.03)	35.16	83.79	-	(43.41)	40.38
Total current assets (B)		316.29	(0.32)	(39.73)	276.24	498.71	(2.83)	(31.17)	464.71
Total assets (A+B)		417.22	40.33	(29.67)	427.88	619.08	24.73	(34.90)	608.91



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

Particulars	Notes	As at		As at		(Rs. in million)			
		April 01, 2022	March 31, 2023	April 01, 2022	March 31, 2023	April 01, 2022	March 31, 2023		
		Amount as per previous GAAP	Effect of transition to Ind AS	Rectification of errors	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Rectification of errors	Amount as per Ind AS
EQUITY AND LIABILITIES									
A. Equity									
(a) Equity share capital		0.11	-	-	0.11	0.11	-	-	0.11
(b) Other equity	9, 8	127.31	(0.81)	(17.39)	109.11	295.72	(4.50)	4.74	295.96
Total equity (A)		127.42	(0.81)	(17.39)	109.22	295.83	(4.50)	4.74	296.07
B. Non-current liabilities									
(a) Financial liabilities									
(i) Lease liabilities	2	-	29.22	-	29.22	-	15.32	-	15.32
(b) Provisions	8	0.86	-	14.53	15.39	34.73	-	(9.85)	24.88
(c) Other non-current liabilities	8	26.05	-	(26.05)	-	-	-	-	-
Total non-current liabilities (B)		26.91	29.22	(11.52)	44.61	34.73	15.32	(9.85)	40.20
C. Current liabilities									
(a) Financial liabilities									
(i) Lease liabilities	2	-	11.92	-	11.92	-	13.91	-	13.91
(ii) Trade payables	8	32.55	-	(13.68)	18.87	32.28	-	(20.39)	11.89
(iii) Other financial liabilities	8	9.80	-	143.69	153.49	5.27	-	114.47	119.74
(b) Other current liabilities	8	99.19	-	(10.62)	88.57	82.06	-	1.38	83.44
(c) Provisions	8	121.35	-	(120.15)	1.20	168.91	-	(154.37)	14.54
(d) Current tax liabilities (net)	8	-	-	-	-	-	-	29.12	29.12
Total current liabilities (C)		262.89	11.92	(0.76)	274.05	288.52	13.91	(29.79)	272.64
Total liabilities (B+C)		289.80	41.14	(12.28)	318.66	323.25	29.23	(39.64)	312.84
Total equity and liabilities (A+B+C)		417.22	40.33	(29.67)	427.88	619.08	24.73	(34.90)	608.91



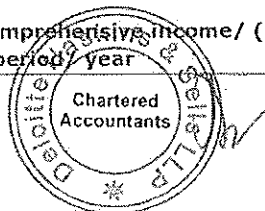
Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

b. Reconciliation of Other equity as at April 01, 2022 and March 31, 2023

Particulars	Notes	(Rs. in million)	
		As at April 01, 2022	As at March 31, 2023
Other equity (shareholders' fund) as per previous GAAP		127.31	295.72
Adjustments:			
(a) Impact of rectification of errors in previous GAAP	8	(18.48)	7.10
(b) Realignment of depreciation policy as per Ind AS 16	1	(0.76)	(1.09)
(c) Expected credit loss provision for financial assets	5	(0.31)	(2.84)
(d) Adjustment on adoption of Ind AS 116	2	-	(2.74)
(e) Security deposit measured at amortised cost	4	-	0.69
(f) Deferred tax impact of above adjustments	6	1.35	(0.88)
Total adjustments		(18.20)	0.24
Other equity as per Ind AS		109.11	295.96

c. Reconciliation of total comprehensive income for the year ended March 31, 2023

Particulars	Notes	(Rs. in million)			
		As per previous GAAP	Effect of transition to Ind AS	Year ended March 31, 2023 Rectification of errors	As per Ind AS
Income					
Revenue from operations	8	1,274.40	-	10.16	1,284.56
Other income	4	5.65	0.68	-	6.33
Total income		1,280.05	0.68	10.16	1,290.89
Expenses					
Employee benefits expense	8	764.31	-	12.42	776.73
Finance costs	2,8	-	3.28	2.01	5.29
Depreciation and amortisation expenses	1, 2, 3, 4, 8	13.70	14.41	0.80	28.91
Other expenses	4, 5, 8	257.14	(12.67)	(15.31)	229.16
Total expenses		1,035.15	5.27	(0.33)	1,040.09
Profit/ (loss) before tax		244.90	(4.59)	10.49	250.80
Tax expense					
Current tax	8	72.02	-	0.67	72.69
Deferred tax credit	6, 8	(10.55)	(1.14)	3.25	(8.43)
Total tax expense		61.47	(1.14)	3.93	64.26
Profit/ (loss) for the period/ year		183.43	(3.45)	6.56	186.54
Other comprehensive income (net of tax)	7	-	0.31	-	0.31
Total comprehensive income/ (loss) for the period/ year		183.43	(3.14)	6.56	186.85

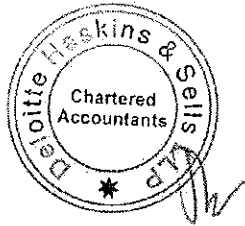


Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

d. Impact of Ind AS adjustments on the Statement of Cash Flows for the year ended March 31, 2023:

Particulars	Notes	(Rs. in million)			
		Amount as per previous GAAP	Effect of transition to Ind AS	Rectification of errors	Amount as per Ind AS
Cash flows from / (used in) operating activities	2,8	143.12	15.20	4.19	162.51
Cash flows from / (used in) investing activities		(16.74)	-	(4.19)	(20.93)
Cash flows from / (used in) financing activities	2,8	-	(15.20)	-	(15.20)
Net increase / (decrease) in cash and cash equivalents		126.38	-	-	126.38
Cash and cash equivalents as on April 01, 2022		37.42	-	-	37.42
Cash and cash equivalents as on March 31, 2023		163.80	-	-	163.80

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Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

e. Notes to first time adoption

Note 1 – Property plant and equipment

The Company has elected to continue with the carrying value of all its property, plant and equipment as at April 01, 2022 measured as per previous GAAP. However, the estimate of residual value and useful life of assets has been revised to comply with the requirements of Ind AS 16.

Note 2 – Lease accounting

The Company has applied Ind AS 116 to lease contracts existing on date of transition. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Accordingly, the Company has recognised right-of-use assets and corresponding lease liabilities. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activity under cash flows statements.

Note 3 – Reversal of amortisation of goodwill under Previous GAAP

Under the Previous GAAP, the purchase goodwill is required to be amortized over the period of 5 years. However, under Ind AS 103, the Goodwill is not amortized but subject to the impairment.

Note 4 – Security deposits measured at amortised costs

Under Previous GAAP, security deposits were accounted for at their undiscounted nominal values. Under Ind AS, these have been accounted for at amortised cost method by discounting the cash flows using effective interest rates.

Note 5 – Allowance for credit loss

Under IGAAP, the entity determined provisions for impairment of trade receivables (provision for bad and doubtful debts) using incurred loss model i.e. if they remained outstanding over the prescribed period. Under Ind AS, impairment allowance has been determined based on expected credit loss model (ECL) for trade receivables and other financial assets, which has resulted in additional provisions being accounted for in statement of profit and loss. The impact of additional provisions due to ECL as at the transition date has been adjusted in opening retained earnings.

Note 6 – Deferred tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The various transitional adjustments and rectification of errors under Previous GAAP have led to temporary tax differences, which the Company has accounted for as deferred tax adjustments. Deferred tax adjustments are recognised in correlation to the underlying transaction as either in profit and loss or other comprehensive income. The resulting changes as at the transition date has been adjusted in opening retained earnings.

Note 7 – Re-measurements of post-employment defined benefit obligation

Under the previous GAAP, the actuarial gains/losses on net defined benefit obligations were recognised as employee benefits expense in the statement of profit and loss. Under Ind AS, such actuarial gains/losses are recognised under other comprehensive income. The related tax expense/income is also reclassified to other comprehensive income.

Note 8 – Rectification under previous GAAP

The Company has adjusted following errors identified in financial statements prepared under Previous GAAP for which there was objective evidence that those estimates were in error.

- (a) Non recognition of the fixed assets purchased before March 31, 2023, however capitalized in subsequent period.
- (b) Inappropriate cut off procedures for revenue and expenses
- (c) Provision for gratuity recorded as per actuarial valuation as on the date of transition.
- (d) Mark-to-market loss recognised on outstanding forward contracts as at the balance sheet date.
- (e) Errors in computation of income tax liability rectified.
- (f) Classification including current and non-current presentation.

Note 9 – Other equity

Other equity as at April 01, 2022 and March 31, 2023 has been adjusted consequent to the above Ind AS adjustments and rectification of errors.



Velotio Technologies Private Limited
Notes to the special purpose financial statements for the period ended December 31, 2023

35. Approval of Financial Statements

The special purpose financial statements have been approved by the Board of Directors at its meeting held on February 15, 2024.

**For and on behalf of the Board of Directors of
Velotio Technologies Private Limited**



A handwritten signature in black ink, appearing to be "Kalpak Shah".

Kalpak Shah
Director and Chief Executive Officer
DIN: 2940976

Place: Pune
Date : February 15, 2024

A handwritten signature in black ink, appearing to be "Nand Sardana".

Nand Sardana
Director
DIN: 09592752

Place: NOIDA
Date : February 15, 2024