

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Allygrow Technologies Private Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Allygrow Technologies Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity (refer Note 32 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and jointly controlled entity as at March 31, 2022, consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 33 to the consolidated financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no significant adjustments are required in the consolidated financial statements based on the current assessment. However, in the opinion of the management, given the highly uncertain economic environment, a definitive assessment of impact of Covid-19 on the financial position and performance of the Company is dependent upon the circumstances as they evolve. Our opinion is not modified in respect of this matter.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership) with LLP identity no. 012754N (ICAI registration number before conversion was 012754N).



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Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

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

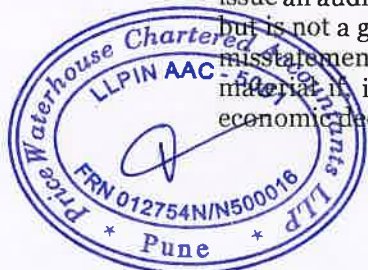
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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To the Members of Allygrow Technologies Private Limited

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10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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Other Matters

12. We did not audit the financial information of four subsidiaries whose financial information reflect total assets of Rs 2,742.31 Lakhs and net assets of Rs 2,488.11 Lakhs as at March 31, 2022, total revenue of Rs. 108.46 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs (75.22) Lakhs and net cash inflows amounting to Rs 28.04 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

The following emphasis of Matter was included in the audit opinion of financial statements of Allygrow Engineering Services Private Limited, a subsidiary of the Holding Company, vide our report dated May 30, 2022 which is reproduced by us as under:

"We draw your attention to Note 2 regarding preparation of the financial statements on realisable value basis in view of the reasons stated therein. Further, the Company has filed an application with National Company Law Tribunal (the NCLT) for merger of the Company with Allygrow Technologies Private Limited, its holding company as described in Note 27 of the financial statements. Our opinion is not modified in respect of this matter."

13. The comparative financial information of the Group for the year ended March 31, 2021 and the transition date opening balance sheet as at April 1, 2020 included in these consolidated financial statements are based on the previously issued statutory financial statements for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated July 9, 2021 and August 14, 2020 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



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- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.,
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies, and jointly controlled company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and jointly controlled entity– Refer Note 34 to the consolidated financial statements.
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - During the year ended March 31, 2022, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and jointly controlled entity incorporated in India.
 - (a) The respective Managements of the Company and its subsidiaries and jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and jointly controlled entity to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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(b) The respective Managements of the Company and its subsidiaries and jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and jointly controlled entity from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and jointly controlled entity shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The dividend declared and paid during the year by the jointly controlled entity is in compliance with Section 123 of the Act.
16. The Group has paid for managerial remuneration to the directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Further, as stated in Note 35 to the consolidated financial statements, the Group proposes to obtain required approval of the shareholders at the ensuing annual general meeting for remuneration aggregating to 26.11 Lakhs paid to the directors.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Vivian Pillai
Partner
Membership Number: 127791
UDIN: 22127791AJVZIR4853

Place: Melbourne, Australia
Date: May 30, 2022

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Allygrow Technologies Private Limited on the consolidated financial statements for the year ended March 31, 2022
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Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Allygrow Technologies Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to four subsidiaries as they are incorporated outside India namely, Technology Associates, Inc, Allygrow Technologies BV, Allygrow Technologies GmbH and Allygrow Technologies UK Limited.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Allygrow Technologies Private Limited on the consolidated financial statements for the year ended March 31, 2022
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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. Also Refer Paragraph 4 of the main audit report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Vivian Pillai
Partner

Place: Melbourne, Australia
Date: May 30, 2022

Membership Number: 127791
UDIN: 22127791AJVZIR4853

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Allygrow Technologies Private Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following company has given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relations hip with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Allygrow Technologies Private Limited	U74900 PN2015 PTC155 682	Standalone entity	May 30, 2022	iii(c) Refer note 1 for comments reproduced
2.	Allygrow Technologies Private Limited	U74900 PN2015 PTC155 682	Standalone entity	May 30, 2022	iii(d) Refer note 2 for comments reproduced
3	Allygrow Technologies Private Limited	U74900 PN2015 PTC155 682	Standalone entity	May 30, 2022	iii(e) Refer note 3 for comments reproduced

Note 1

iii. (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company for one subsidiary. In respect of the loans, no schedule for repayment of principal has been stipulated by the Company for one subsidiary. Therefore, in the absence of stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest. The following instances where the principal and interest amounts, as stipulated, were not paid.

Name of the entity	Amount	Due Date	Extent of delay	Remarks (if any)
Allygrow Technologies BV - Interest 2019 - Interest 2020 - Interest 2021 - Interest 2022	51,592 54,296 58,776 51,219	31/03/2019 31/03/2020 31/03/2021 31/03/2022	1,162 days 797 days 431 days 66 days	The amount due is disclosed under the head "Current Assets - Loans" as receivable



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Allygrow Technologies Private Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

Note 2

- iii (d) In respect of the following loans, the total amount overdue for more than ninety days as at March 31, 2022 is Rs. 632,754. In our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest, except in respect of loans overdue aggregating Rs. 473,330 for which the Company has not taken any steps for recovery.

No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
1	473,330	-	473,330	The Company has not taken any steps for recovery

Note 3

- (iii) (e) Following loans were granted to same parties, which has fallen due during the year and were renewed. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan

Name of the parties	Aggregate amount dues renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Allygrow Technologies BV	21,16,498	No new loans granted during the year



Allygrow Technologies Private Limited
Consolidated Balance Sheet as at 31 March 2022
(All amounts are in Rupees lakhs, unless stated otherwise)

	Notes	31 March 2022	31 March 2021	1 April 2020
ASSETS				
Non-current assets				
Property, plant and equipment	4 (a)	84.96	65.65	83.68
Right-of-use assets	4 (b)	215.94	304.21	138.62
Intangible assets	4 (c)	31.43	32.86	66.87
Investments accounted for using equity method	5	1,855.76	2,240.66	1,465.65
Financial assets				
(a) Loans	6(a)	-	-	23.71
(b) Other financial assets	6(b)	52.58	60.82	70.01
Current tax assets (net)	7	78.95	135.47	173.15
Total non-current assets		2,319.62	2,839.67	2,021.69
Current assets				
Financial assets				
(a) Trade receivables	8 (a)	1,192.09	891.92	756.18
(b) Cash and cash equivalents	8 (b)	1,394.54	460.47	539.16
(c) Bank balances other than (b) above	8 (c)	529.00	596.26	522.94
(e) Other financial assets	8 (e)	7.63	4.62	4.76
Other current assets	9	111.78	108.43	224.73
Total current assets		3,235.04	2,061.70	2,047.77
Total assets		5,554.66	4,901.37	4,069.46
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	25.28	52.78	52.78
Other equity	11	4,559.89	3,626.92	3,357.22
Total equity		4,585.17	3,679.70	3,410.00
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
- Lease liabilities	4 (b)	143.23	258.43	108.87
Provisions	13	-	-	5.31
Deferred tax liabilities		198.14	298.21	97.15
Total non-current liabilities		341.37	556.64	211.33
Current liabilities				
Financial liabilities				
(a) Borrowings	15	-	-	88.83
(b) Lease liabilities	4 (b)	100.47	68.36	33.21
(c) Trade payables	16	-	-	-
- Total outstanding dues of micro and small enterprise		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		270.68	158.60	138.01
(d) Other financial liabilities	17	130.98	229.18	49.62
Provisions	18	60.86	105.54	69.54
Other current liabilities	19	65.13	103.35	68.92
Total current liabilities		628.12	665.03	448.13
Total liabilities		969.49	1,221.67	659.46
Total equity and liabilities		5,554.66	4,901.37	4,069.46

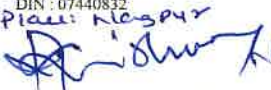
The above consolidated balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/S00016



Vivian Pillai
Partner
Membership No.: 127791

Place: Melbourne
Date: May 30, 2022

For and on behalf of the board of directors of
Allygrow Technologies Private Limited


Vishal Pawar
Director
DIN : 07440832
Place: Nagpur


Krishnan Rathnam
Chief Financial Officer
Place: PUNE
Date: May 28, 2022


Prashant Kamat
Director
DIN : 07212749
Place: Nagpur



Allygrow Technologies Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(All amounts are in Rupees lakhs, unless stated otherwise)

	Notes	31 March 2022	31 March 2021
Revenue from operations	20	3,848.64	2,840.59
Other income	21	527.75	62.66
Total income		4,376.39	2,903.25
Expenses			
Employee benefits expense	22	2,973.72	2,520.70
Depreciation and amortisation expense	23	119.33	149.24
Other expenses	24	925.97	523.10
Finance costs	25	13.96	15.88
Total expenses		4,032.98	3,208.92
Profit / (Loss) before share of net profits of investments accounted for using equity method and tax		343.42	(305.67)
Share of net profit of Joint venture accounted for using the equity method	32	412.79	773.32
Profit before tax		756.21	467.65
Income tax expense	26		
- Current tax		7.11	1.12
- Deferred tax (credit) /expenses		-100.07	201.06
Total tax (credit) / expense		(92.96)	202.18
Profit for the year		849.17	265.47
Other comprehensive income, net of income tax			
<i>Items that will be reclassified to profit or loss:</i>			
Share of other comprehensive income of Joint venture accounted for using the equity method	11	2.31	1.69
Exchange differences on translation of foreign operations	11	61.47	(14.45)
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement of post employment benefit plans	27	(5.26)	4.30
Other comprehensive income for the year, net of tax		58.52	(8.46)
Total comprehensive income for the year		907.69	257.01
Earnings per share for profit attributable to owners:	39		
Basic earnings per share		556.06	395.88
Diluted earnings per share		-	83.00

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Vivian Pillai
Partner
Membership No.: 127791

For and on behalf of the board of directors of
Allygrow Technologies Private Limited



Vishal Pawar
Director
DIN : 07440832
Place: Nagpur



Prashant P. Kamat
Director
DIN : 07212749
Place : Nagpur



Krishnan Rathnam
Chief Financial Officer
Place : PUNE
Date : May 28, 2022




Allygrow Technologies Private Limited
Consolidated statement of cash flows
(All amounts are in Rupees lakhs, unless stated otherwise)

	31 March 2022	31 March 2021
Cash flow from operating activities		
Profit before income tax	756.21	467.65
Adjustments for :		
Depreciation and amortisation expense	119.33	149.24
Interest income classified as investing cash flows	(21.25)	(44.05)
Loss on sale of property, plant and equipment	1.35	0.99
Finance costs	13.49	15.88
Share of profits of joint venture	(412.79)	(773.32)
Non-cash employee share-based payments	-	12.69
Changes in operating assets and liabilities :		
(Increase)/decrease in trade receivables	(300.17)	(135.75)
Increase/(decrease) in trade payables	112.08	20.59
(Increase)/decrease in other financial assets	5.23	9.33
Increase/(decrease) in other financial liabilities	(98.20)	179.57
(Increase)/decrease in other assets	(3.35)	116.30
Increase/(decrease) in provisions	(44.68)	30.69
Increase/(decrease) in current liabilities	(38.22)	34.43
Cash generated from operations	89.03	84.24
Income taxes (paid)/refund received (net)	49.41	36.56
Net cash inflow from operating activities	138.44	120.80
Cash flows from investing activities :		
Payments for property, plant and equipment	(45.15)	(34.91)
Proceeds from sale of property, plant and equipment	0.10	8.90
Dividends from joint venture	800.00	-
Repayment of loans by related parties	-	23.71
Proceeds from investment in bank deposits	867.26	941.68
Payments for investment in bank deposits	(800.00)	(1,015.00)
Interest received	21.30	44.20
Net cash inflow from investing activities	843.51	(31.42)
Cash flow from financing activities :		
Principal element of lease payments	(78.32)	(55.10)
Interest element of lease payments	(13.49)	(15.10)
Repayments of long-term borrowings	-	(88.83)
Interest and other finance costs paid	-	(0.78)
Net cash inflow/(outflow) from financing activities	(91.81)	(159.81)
Net increase/(decrease) in cash and cash equivalents	890.13	(70.43)
Cash and cash equivalents at the beginning of the year	460.47	539.16
Effects of exchange rate changes on cash and cash equivalents	43.94	(8.26)
Cash and cash equivalents at the end of the year	1,394.54	460.47
Non-cash financing and investing activities		
- Acquisition of right-of-use assets	-	239.81


The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.


In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Vivian Pillai
Partner
Membership No.: 127791


Place: Melbourne
Date: May 30, 2022

For and on behalf of the board of directors of
Allygrow Technologies Private Limited


Vishal Pawar
Director
DIN : 07440832
Place: Nagpur


Prashant Kamat
Director
DIN : 07212749
Place: Nagpur


Krishnan Rathnam
Chief Financial Officer
Place: Pune
Date: May 28, 2022



Allygrow Technologies Private Limited
Consolidated statement of changes in equity
(All amounts are in Rupees lakhs, unless stated otherwise)

A. Equity share capital

	Notes	Amount
As at 1 April 2020	10	6.71
Changes in equity share capital		-
As at 31 March 2021	10	6.71
Conversion of compulsarily convertible preference shares into equity shares		25.28
Buy back of shares		(6.71)
As at 31 March 2022	10	25.28

B. Preference share capital

	Notes	Amount
As at 1 April 2020	10	50.56
Changes in preference share capital		-
As at 31 March 2021	10	50.56
Conversion of compulsarily convertible preference shares into equity shares		(50.56)
As at 31 March 2022	10	-

B. Other equity

	Notes	Retained Earnings	Securities premium	Share options outstanding account	Foreign currency translation reserve	Total
Balance as at 1 April 2020	11	(12,447.15)	14,096.22	1,615.75	92.40	3,357.22
Profit for the year		265.47	-	-	-	265.47
Other comprehensive income		5.99	-	-	(14.45)	(8.46)
Total comprehensive income for the year		271.46	-	-	(14.45)	3,614.23
Transactions with owners in their capacity as owners:						
Employee stock option expense	11	-	-	12.69	-	12.69
As at 31 March 2021		(12,175.69)	14,096.22	1,628.44	77.95	3,626.92

	Notes	Retained Earnings	Securities premium	Share options outstanding account	Foreign currency translation reserve	Capital redemption reserve	Total
Balance as at April 1, 2021	11	(12,175.69)	14,096.22	1,628.44	77.95	-	3,626.92
Profit for the year		849.17	-	-	-	-	849.17
Other comprehensive income		(2.95)	-	-	61.47	-	58.52
Total comprehensive income for the year		846.22	-	-	61.47	-	907.69
Transactions with owners in their capacity as owners:							
Employee stock option		1,628.44	-	(1,628.44)	-	-	-
Issue of Equity shares on conversion of compulsorily convertible preference shares		-	25.28	-	-	-	25.28
Transferred into capital redemption reserve pursuant to buy back of share		-	(6.71)	-	-	6.71	-
As at 31 March 2022		(9,701.03)	14,114.79	-	139.42	6.71	4,559.89

The above statement of changes in equity should be read in conjunction with the accompanying notes.



10 Equity

Authorised share capital

	Equity share capital		Preference share capital	
	Number of shares	Amount	Number of shares	Amount
As at 1 April 2020	195,000	19.50	652,500	130.50
Increase during the year	-	-	-	-
As at 31 March 2021	195,000	19.50	652,500	130.50
Increase during the year	500,000	50.00	(250,000)	-50.00
As at 31 March 2022	695,000	69.50	402,500	80.50

(a) Movements in equity

Equity share capital		
Particulars	Number of shares	Amount
As at 1 April 2020	67,058	6.71
Change during the year	-	-
Shares held by trust	(44,824)	(4.48)
As at 31 March 2021	22,234	2.22
Shares held by trust	44,824	4.48
Buy back of shares	(67,058)	(6.71)
Issue of equity shares pursuant to conversion of compulsorily convertible preference shares	2,52,780	25.28
As at 31 March 2022	2,52,780	25.28

Preference share capital		
Particulars	Number of shares	Amount
As at 1 April 2020	252,780	50.56
Change during the year	-	-
As at 31 March 2021	252,780	50.56
Conversion into equity shares	(252,780)	(50.56)
As at 31 March 2022	-	-

i Terms/ rights attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii "Series A" Compulsorily Convertible Cumulative Preference Shares

As to dividend

Preference share carry a preferential right as to dividend over equity shares. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. Rate of dividend for Preference Shares shall be 0.001% of the Issue Price per annum.

As to voting

Each shareholder is entitled to vote in proportion to his share of paid up preference share capital of the Company, except in case of voting by show of hands where each shareholder present in person shall have one vote only on any resolutions of the Company directly affecting their rights. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

As to repayment of capital

In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares. The distribution will be in proportion to paid up capital.

(b) Shares of the company held by ultimate holding company

	31 March 2022	31 March 2021	1 April 2020
Ceinsys Tech Limited	2,09,049	-	-

(c) Shares held by holding company and details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2022	
	Number of shares	% of holding
Zodius Technology Fund	13,262	5.25%
Zodius Technology Fund II	12,993	5.12%
Ceinsys Tech Limited	2,09,049	82.70%



	31 March 2021	
	Number of shares	% of holding
Allygrow Technologies ESOP Trust	44,824	66.84%
WST Capital GmbH	22,024	32.84%

	1 April 2020	
	Number of shares	% of holding
Allygrow Technologies ESOP Trust	44,824	66.84%
WST Capital GmbH	22,024	32.84%

(d) The Company has ESOP trust set up for welfare of employees. Such trust holds Nil (31March 2021: 44824 ; 1 April 2020: 44824) equity shares representing Nil (31 March 2021 66.84% ; 1 April 2020 66.84%) of equity shares in the company.

(e) Shares held by holding company and details of preference shares held by shareholders holding more than 5% of the aggregate shares in the Company

"Series A" Compulsorily Convertible Cumulative Preference Shares of ₹ 20/- each

	31 March 2022		31 March 2021	
	Number	% of holding	Number	% of holding
Zodius Technology Fund	-	-	76,658	30%
Elder Venture LLP	-	-	51,500	20%
Vrishali Kamat	-	-	12,600	5%
Avezo Advisors Private Limited	-	-	24,000	10%
Zodius Technology Fund II	-	-	74,758	30%
Indiblu Investment Advisors (Mauritius) Limited	-	-	13,264	5%

(f) Aggregate number of shares issued for consideration other than cash

	31 March 2022
	Number of shares
Shares issued as conversion of compulsory convertible preference shares	2,52,780

(g) Aggregate number of shares issued for consideration other than cash

(i) Conversion of Compulsorily Convertible Cumulative Preference Shares (CCCPS) into equity shares

On 03-Nov-21, all the CCCPS were converted into equal number of equity shares. A separate class of equity shares was created for the conversion namely "Class B" equity shares. Class B equity shares were to have 99.90% economic rights and voting rights.

(ii) Buy back of shares

The Company bought back 67,058 equity shares being 100% of total paid up equity share capital at Rs.10 per equity share. The equity shares bought back were extinguished on 31 December 2021.

11 Reserves and Surplus

	31 March 2022	31 March 2021	1 April 2020
Share options outstanding account (a)	-	1,628.44	1,615.75
Securities premium (b)	14,114.79	14,096.22	14,096.22
Foreign currency translation reserve (c)	139.42	77.95	92.40
Retained earnings (d)	(9,701.03)	(12,175.69)	(12,447.15)
Capital redemption reserve (e)	6.71	-	-
Total	4,559.89	3,626.92	3,357.22

(a) Share options outstanding account

	31 March 2022	31 March 2021
Opening balance	1,628.44	1,615.75
Employee stock option expense	-	12.69
Transferred to retained earnings	(1,628.44)	-
Closing balance	-	1,628.44

(b) Securities premium

	31 March 2022	31 March 2021
Opening balance	14,096.22	14,096.22
Issue of share on conversion of compulsory convertible preference shares	25.28	-
Transferred into capital redemption reserve pursuant to buy back of share	(6.71)	-
Closing balance	14,114.79	14,096.22



(c) Foreign currency translation reserve

	31 March 2022	31 March 2021
Opening balance	77.95	92.40
Currency translation differences	61.47	(14.45)
Closing balance	139.42	77.95

(d) Retained earnings

	31 March 2022	31 March 2021
Opening balance	(12,175.69)	(12,447.15)
Net Profit for the period	849.17	265.47
Transfer from ESOP reserve	1,628.44	-
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Share of other comprehensive income of joint ventures accounted for using the equity method	2.31	1.69
- Remeasurements of post employment benefit	(5.26)	4.30
Closing balance	(9,701.03)	(12,175.69)

(e) Capital redemption reserve

	31 March 2022	31 March 2021
Transferred from securities premium pursuant to buy back of share	6.71	-
Closing balance	6.71	-

Nature and purpose of reserves:

i Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plan.

ii Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

iii Capital redemption reserve

Pertains to reserve created towards buy back of equity shares and can be utilised in accordance with the provisions of the Act.



Allygrow Technologies Private Limited

Notes to consolidated financial statements

(All amounts are in Rupees lakhs, unless stated otherwise)

4 (a) Property, plant and equipment

Particulars	Computer equipment	Servers and network	Office equipment	Vehicles	Total
Year ended 31 March 2021					
Gross carrying amount as on 1 April 2020	129.54	15.25	32.09	160.15	337.03
Additions	1.93	-	-	31.36	33.29
Disposals	(4.58)	-	(0.67)	(116.37)	(121.62)
Exchange differences	(2.04)	-	(0.07)	-	(2.11)
Closing gross carrying amount as on 31 March 21	124.85	15.25	31.35	75.14	246.59
Accumulated depreciation					
Gross carrying amount as on 1 April 2020	93.55	8.87	20.62	130.31	253.35
Charge for the year	13.94	2.62	5.10	19.71	41.37
Disposals	(4.24)	-	(0.61)	(107.47)	(112.32)
Exchange differences	(1.42)	-	(0.04)	-	(1.46)
Closing accumulated depreciation as on 31 March 2021	101.83	11.49	25.07	42.55	180.94
Net carrying amount as at 31 March 2021	23.02	3.76	6.28	32.59	65.65
Net carrying amount as at 1 April 2020	35.99	6.38	11.47	29.84	83.68

Particulars	Computer equipment	Servers and network	Office equipment	Vehicles	Total
Year ended 31 March 2022					
Gross carrying amount as on 1 April 2021	124.85	15.25	31.35	75.14	246.59
Additions	23.47	-	1.61	20.07	45.15
Disposals	-	-	(0.05)	(28.76)	(28.81)
Exchange differences	2.71	-	0.08	-	2.79
Gross carrying amount as on 31 March 2022	151.03	15.25	32.99	66.45	265.72
Accumulated depreciation					
Gross carrying amount as on 1 April 2021	101.83	11.49	25.07	42.55	180.94
Charge for the year	14.03	1.44	3.41	6.07	24.95
Disposals	-	-	(0.04)	(27.32)	(27.36)
Exchange differences	2.16	-	0.07	-	2.23
Balance as at 31 March 2022	118.02	12.93	28.51	21.30	180.76
Net carrying amount as at 31 March 2022	33.01	2.32	4.48	45.15	84.96
Net carrying amount as at 31 March 2021	23.02	3.76	6.28	32.59	65.65



Allygrow Technologies Private Limited**Notes to consolidated financial statements**

(All amounts are in Rupees lakhs, unless stated otherwise)

4 (b) Leases:

This note provides information for leases where the Group is a lessee. The Group leases various offices.

Rental contracts are typically made for fixed periods of 1-5 years, but may have extension options as described in (I).

(i) The balance sheet shows the following amounts relating to leases:

	31 March 2022	31 March 2021	1 April 2020
<u>Right-of-use assets:</u>			
Office Premises	215.94	304.21	138.62
	215.94	304.21	138.62

	31 March 2022	31 March 2021	1 April 2020
<u>Lease Liabilities:</u>			
Current	100.47	68.36	33.21
Non-current	143.23	258.43	108.87
	243.70	326.79	142.08

Additions to right-of-use assets during the year ended 31 March 2022 were Rs. Nil (31 March 2021: Rs. 287.06 lakhs.)

(ii) Amounts recognized in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Notes	31 March 2022	31 March 2021
<u>Depreciation charge of right-of-use assets</u>			
- Office Premises	23	92.84	74.48
Total		92.84	74.48

Particulars	Notes	31 March 2022	31 March 2021
Interest expense (included in finance costs)	25	13.49	15.10
Expense relating to short-term leases (included in other expenses)	24	14.33	41.27

The total cash outflow for leases for the year ended 31 March 2022 was Rs. 125.84 Lakhs (for previous year Rs. 111.41 Lakhs)

(I) Extension and termination options

Extension and termination options are included in a number of leases entered into by the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable mutually by both lessor and lessee.



Allygrow Technologies Private Limited
Notes to consolidated financial statements
 (All amounts are in Rupees lakhs, unless stated otherwise)

4 (c) Intangible assets

Particulars	Software
<u>Year ended 31 March 2021</u>	
Gross carrying amount as on April 1, 2020	2,042.62
Additions	-
Disposals	(3.61)
Exchange differences	(43.37)
Gross carrying amount as on 31 March 2021	1,995.64
Accumulated amortisation	
Balance as at April 1, 2020	1,975.75
Charge for the year	33.39
Disposals	(3.02)
Exchange differences	(43.34)
Balance as at 31 March 2021	1,962.78
Net carrying amount as at 31 March 2021	32.86
Net carrying amount as at 1 April 2020	66.87

	Software
<u>Year ended 31 March 2022</u>	
Gross carrying amount as on April 1, 2021	1,995.64
Additions	0.10
Disposals	-
Exchange differences	53.08
Gross carrying amount as on 31 March 2022	2,048.82
Accumulated amortisation	
Balance as at April 1, 2021	1,962.78
Charge for the year	1.54
Disposals	-
Exchange differences	53.07
Balance as at 31 March 2022	2,017.39
Net carrying amount as at 31 March 2022	31.43



Allygrow Technologies Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees lakhs, unless stated otherwise)

5 Non-current investments

	31 March 2022	31 March 2021	1 April 2020
Investments in equity instruments (fully paid up): of Joint venture			
10,920,000 equity shares (previous year: 10,920,000) of Rs. 10 each fully paid up in Allygram Systems and Technologies Private Limited	1,855.76	2,240.66	1,465.65
Total (equity instruments)	1,855.76	2,240.66	1,465.65
Aggregate amount of unquoted investments	1,855.76	2,240.66	1,465.65
Aggregate amount of impairment in the value of investments	-	-	-

6(a) Non-current loans

	31 March 2022	31 March 2021	1 April 2020
Loan to related Parties (Refer Note no. 34)	-	-	23.71
Total	-	-	23.71

Break up of security details

	31 March 2022	31 March 2021	1 April 2020
Loans considered good - Secured	-	-	-
Loans considered good - Unsecured	-	-	23.71
Loans which have significant increase in credit risk	-	-	-
Loans - credit impaired	-	-	-
Total:	-	-	23.71
Less: Loss allowance	-	-	-
Total	-	-	23.71

6(b) Other non-current financial assets

	31 March 2022	31 March 2021	1 April 2020
Security deposits	52.58	60.82	70.01
Total	52.58	60.82	70.01



7 Current tax assets (net)

	31 March 2022	31 March 2021
Opening balance	135.47	173.15
Current tax assets (net)		
Less: Current tax payable for the year	7.11	1.12
Add: Taxes paid/ (refund received)	(49.41)	(36.56)
Closing balance	78.95	135.47
Presented as :		
Income-tax assets	78.95	135.47

8 (a) Trade receivables

	31 March 2022	31 March 2021	1 April 2020
Trade receivables from contracts with customers	689.22	529.63	539.86
Unbilled revenue related to service contracts	502.87	370.78	222.08
Less: Loss allowance	-	(8.49)	(5.76)
Total receivables	1,192.09	891.92	756.18
Breakup of security details			
Trade receivables considered good – unsecured	689.22	529.63	539.86
Less: loss allowance	-	(8.49)	(5.76)
Total	1,192.09	891.92	756.18

Trade receivables ageing - Amounts (gross of provisions) from due date of payments

31 March 2022	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 Years	than 3 Years	
Trade receivables						
Undisputed trade receivables- considered good	680.62	-	2.34	6.26	-	689.22
Total trade receivables	680.62	-	2.34	6.26	-	689.22



31 March 2021	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 Years	More than 3	
Trade receivables						
Undisputed trade receivables- considered good	521.14	-	-	-	-	521.14
Disputed trade receivables- which have significant increase in credit risk	-	-	8.49	-	-	8.49
Total trade receivables	521.14	-	8.49	-	-	529.63

1 April 2020	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 years	1-2 Years	2-3 Years	More than 3	
Trade receivables						
Undisputed trade receivables- considered good	534.10	-	-	-	-	534.10
Disputed trade receivables- which have significant increase in credit risk	5.76	-	-	-	-	5.76
Total trade receivables	539.86	-	-	-	-	539.86

8 (b) Cash and cash equivalents

	31 March 2022	31 March 2021	1 April 2020
Balances with banks			
- in current accounts	1,284.37	351.95	432.71
Cash on hand	0.08	0.03	0.02
Deposits with maturity of less than three months	110.09	108.49	106.43
Total cash and cash equivalents	1,394.54	460.47	539.16

8 (c) Bank balances other than (iii) above

	31 March 2022	31 March 2021	1 April 2020
- Earmarked balances with Bank (balance held as security towards obtaining bank guarantee)	-	365.28	365.28
Deposits with original maturity more than three months but less than twelve months	529.00	-	157.66
Long term deposits with bank with maturity more than 12 months	-	230.98	-
Total	529.00	596.26	522.94

8 (e) Other current financial assets

	31 March 2022	31 March 2021	1 April 2020
Interest accrued on deposits	4.57	4.62	4.76
Receivables from related parties	3.06	-	-
Total	7.63	4.62	4.76

9 Other current assets

	31 March 2022	31 March 2021	1 April 2020
Prepaid expenses	75.48	64.67	74.95
Balances with government authorities	33.05	29.20	143.56
Advances to vendors	-	11.67	4.65
Employee advances	2.98	2.55	0.48
Others	0.27	0.34	1.12
Total	111.78	108.43	224.73



Allygrow Technologies Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees lakhs, unless stated otherwise)

12 Non-current borrowings

	31 March 2022	31 March 2021	1 April 2020
Secured			
Term loans			
From banks	-	-	23.27
Other			
Total non-current borrowings	-	-	23.27
Less: Current maturities of long-term debt (refer note 14)	-	-	23.27
Total non-current borrowings (as per balance sheet)	-	-	-

*Term loan from bank has been secured by exclusive charge on vehicles.

Terms of repayment:

The loans were repayable in 60 monthly installments from date of draw down of loan along with interest ranging from 9.36% p.a to

13 Non-current provisions

	31 March 2022	31 March 2021	1 April 2020
Provision for employee benefits (refer note 27)			
Provision for compensated absences	-	-	5.31
Total	-	-	5.31

14 Deferred tax liabilities

	31 March 2022	31 March 2021	1 April 2020
Investments in joint venture	198.14	298.21	97.15
Total	198.14	298.21	97.15

15 Current borrowings

	31 March 2022	31 March 2021	1 April 2020
Loans repayable on demand			
Secured			
From banks	-	-	65.56
Current maturities of long term borrowings	-	-	23.27
Total current borrowings	-	-	88.83

Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for the year ended

	31 March 2022	31 March 2021	1 April 2020
Cash and cash equivalents	1,394.54	460.47	539.16
Lease liabilities	(243.70)	(326.79)	(142.08)
Current borrowings	-	-	(88.83)
	1,150.84	133.68	308.25

	Cash and cash	Lease	Borrowings	Total
Net debt as on 1 April 2020	539.16	(142.08)	(88.83)	308.25
Cash flows	(78.69)	55.10	88.83	65.24
Acquisitions - leases	-	(241.49)	-	(241.49)
Exchange differences	-	1.68	-	1.68
Interest expense	-	(15.10)	-	(15.10)
Interest paid	-	15.10	-	15.10
Net debt as on 31 March 2021	460.47	(326.79)	-	133.68

	Cash and cash	Lease	Borrowings	Total
Net debt as on 1 April 2021	460.47	(326.79)	-	133.68
Cash flows	934.07	78.32	-	1,012.39
Interest paid	-	13.49	-	13.49
Exchange differences	-	4.77	-	4.77
Interest expense	-	(13.49)	-	(13.49)
Net debt as on 31 March 2022	1,394.54	(243.70)	-	1,150.84



16 Trade payables

	31 March 2022	31 March 2021	1 April 2020
Trade payables			
(a) Micro and small enterprises	-	-	-
(b) Other than micro and small enterprises	270.68	158.60	138.01
Total	270.68	158.60	138.01

Trade Payables ageing - Amounts (gross of provisions) from the date invoice falls dues

31 March 2022	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Trade payables					
Undisputed-Others	242.85	9.63	18.20	-	270.67
Total Trade Payables	242.85	9.63	18.20	-	270.67

31 March 2021	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Trade payables					
Undisputed-Others	140.41	17.89	0.30	-	158.60
Total Trade Payables	140.41	17.89	0.30	-	158.60

1 April 2020	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Trade payables					
Undisputed-Others	137.76	0.25	-	-	138.01
Total Trade Payables	137.76	0.25	-	-	138.01

17 Other current financial liabilities

	31 March 2022	31 March 2021	1 April 2020
Capital creditors	-	-	1.62
Misc expenses payable	5.03	6.06	3.42
Employee benefits payable	125.95	223.12	44.57
Total	130.98	229.18	49.62

18 Current provisions

	31 March 2022	31 March 2021	1 April 2020
Provision for employee benefits			
Provisions for gratuity	4.21	42.35	33.87
Provision for compensated absences*	56.65	63.19	35.67
Total	60.86	105.54	69.54

*The entire amount of the provision of Rs. 56.65 (31 March 2021 – Rs. 63.19) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

19 Other current liabilities

	31 March 2022	31 March 2021	1 April 2020
Advance from customers	-	35.02	14.26
Statutory dues payables	59.04	62.05	54.60
Unearned Revenue	6.09	6.28	-
Employee related liabilities	-	-	0.01
Interest accrued and due on borrowing	-	-	0.05
Total	65.13	103.35	68.92



20 Revenue from operations

	31 March 2022	31 March 2021
Revenue from contracts with customers		
Sale of services	3,848.64	2,840.59
Total	3,848.64	2,840.59

* Revenue recognised over the period of time during the financial year.

There are no items of reconciliation between contract price and revenue recognized.

21 Other income

	31 March 2022	31 March 2021
Interest income on financial assests at amortised cost		
- On bank deposits	21.25	44.05
Interest on income tax refund	16.48	4.03
Rent income	-	9.10
Net gain on foreign currency transaction and translation	-	0.56
Income from sale of License	23.22	-
Interest on loan to related parties	0.00	-
Loan forgiven _TA	446.48	-
Miscellaneous income	20.33	4.92
Total	527.75	62.66

22 Employee benefits expense

	31 March 2022	31 March 2021
Salaries and bonus	2,708.51	2,284.48
Contribution to provident and other funds (Refer Note 27)	235.27	201.27
Gratuity (Refer Note 27)	13.05	12.46
Employee share-based payment expense	-	12.69
Staff welfare expenses	16.88	9.80
Total	2,973.71	2,520.70

23 Depreciation and amortisation expense

	31 March 2022	31 March 2021
Depreciation on property, plant and equipment	24.95	41.37
Depreciation of right-of-use assets	92.84	74.48
Amortisation of intangible assets	1.54	33.39
Total	119.33	149.24

24 Other expenses

	31 March 2022	31 March 2021
Repairs and maintenance:		
- Buildings	6.81	6.79
- Machinery	0.21	0.12
- Others	5.03	28.70
Advertisement expenses	0.58	0.30
Bad debts	-	0.16
Communication cost	30.58	52.38
Power and fuel	12.96	13.42
Rent	14.33	41.27
Rates and taxes	1.08	2.24
Legal and professional Fees	359.37	152.43
Travelling and conveyance	54.88	11.70
Insurance	25.17	20.53
Printing and stationery	5.34	2.57
Recruitment expenses	4.76	2.97
Provision for doubtful debts	-	2.73
Housekeeping and security expenses	6.88	8.95
Software licenses	74.74	82.21
Outsourced technical services	265.56	53.84
Payments to auditors [refer note 24(a)]	25.10	12.85
Bank charges	3.64	3.73
Miscellaneous expenses	28.95	23.20
Total	925.97	523.09



24 (a) Details of payments to auditors

	31 March 2022	31 March 2021
As auditor:		
Statutory audit fee	18.45	10.45
Limited reviews	1.50	1.35
Tax audit fee		
In other capacities:	5.15	0.65
Certifications	-	0.40
Reimbursement of out of pocket expenses		
Total	25.10	12.85

25 Finance costs

	31 March 2022	31 March 2021
Interest and finance charges on financial liabilities not at fair value through profit and loss	-	0.78
Interest and finance charges on lease liabilities	13.49	15.10
Interest on income tax	0.47	-
Total	13.96	15.88

26 Income tax expense

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

Profit and Loss section	31 March 2022	31 March 2021
Income tax expense		
Current income tax	7.11	1.12
Deferred tax	(100.07)	201.06
Total	(92.96)	202.18



27 Employee benefit obligations

	31 March 2022	31 March 2021	1 April 2020
Leave obligations (Refer Note A)			
Current	56.65	63.19	35.67
Non-current	-	-	5.31
Gratuity (Refer Note B)			
Current	4.21	42.35	33.87

A Leave obligations

The leave obligations cover the Company's liability for sick leave and earned leave. The significant assumptions were as follows-

Particulars	31 March 2022	31 March 2021
Discount rate	5.90%	6.30%
Salary growth rate	5.00%	5.00%
Attrition rate	20.00%	20.00%

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

The entire amount of the provision of Rs.56.65 lakhs (March 2021 - 63.19 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

B Gratuity

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

i The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

	Present value of	Fair value of plan	Net amount
1 April 2021	51.48	(9.13)	42.35
Current service cost	11.43	-	11.43
Interest expense/(income)	2.35	(0.54)	1.81
Total amount recognised in Profit or Loss	13.78	(0.54)	13.24
Remeasurements			
- Returns on plan assets	-	0.03	0.03
- (Gain)/loss from change in financial assumptions	(0.72)	-	(0.72)
- Experience (gains)/losses	5.76	-	5.76
Total amount recognised in Other Comprehensive Income	5.04	0.03	5.07
Employer contributions/premiums paid	-	(35.00)	(35.00)
Benefit payments	(28.46)	5.85	(22.61)
Mortality charges and taxes	-	1.16	1.16
31 March 2022	41.84	(37.63)	4.21

	Present value of obligation	Fair value of plan assets	Net amount
1 April 2020	43.98	(10.10)	33.88
Current service cost	10.58	-	10.58
Interest expense/(income)	2.65	(0.76)	1.89
Total amount recognised in Profit or Loss	13.23	(0.76)	12.47
Remeasurements			
- Returns on plan assets	-	0.41	0.41
- (Gain)/loss from change in financial assumptions	0.41	-	0.41
- Experience (gains)/losses	(5.12)	-	(5.12)
Total amount recognised in Other Comprehensive Income	(4.71)	0.41	(4.30)
Employer contributions/premiums paid	-	(0.28)	(0.28)
Benefit payments	(1.00)	1.00	-
Mortality charges and taxes	(0.02)	0.60	0.58
31 March 2021	51.48	(9.13)	42.35



ii The net liability disclosed above relates to funded plans are as follows :

Particulars	31 March 2022	31 March 2021	1 April 2020
Present value of funded obligation	41.84	51.48	43.98
Fair value of plan assets	(37.63)	(9.13)	(10.10)
Net deficit of the gratuity plan	4.21	42.35	33.88

The Company has no legal obligation to settle the deficit with an immediate contribution or additional one-off contributions.

iii Significant estimates

*

The significant actuarial assumptions were as follows :

Particulars	31 March 2022	31 March 2021	1 April 2020
Discount rate	6.30%	5.90%	6.10%
Salary growth rate	5.00%	5.00%	5.00%
Withdrawal rate:	20.00%	20.00%	20.00%
Mortality rate	IALM(2012-14) ult	IALM (2012-14) ult	IALM (2012-14) ult

iv Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	31 March 2022	31 March 2021
Discount rate		
1% decrease	43.70	53.64
1% increase	40.13	49.50
Salary increment rate		
1% decrease	40.48	49.94
1% increase	43.30	53.14
Withdrawal rate		
1% decrease	41.82	51.48
1% increase	41.87	51.49

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



v Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility:

All plan assets for gratuity are maintained by a public sector insurer viz. LIC of India ('LIC'). LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

Changes in bond yields:

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plans' bond holdings.

Future salary increase and inflation risk:

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Discount rate risk:

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

vi Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are Rs. 6.00 lakhs (31 March 2021: Rs.6.00 lakhs).

The weighted average duration of the defined benefit gratuity plan is 5.84 years (31 March 2021: 5.2 years)

The expected maturity analysis of undiscounted benefits is as follows:

	31 March 2022	31 March 2021
Between 1 year	8.72	10.14
Between 2 - 5 years	30.67	41.82
Between 6 - 10 years	40.24	36.39

vii The major categories of plan assets are as follows:

	31 March 2022	31 March 2021	1 April 2020
Pooled assets with an insurance company	100.00%	100.00%	100.00%

C Defined contribution plans

The Company also has certain defined contribution plans i.e., contribution to provident fund .

Contributions are made to provident fund for eligible employees at 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised towards the defined contribution plans is as follows:

	31 March 2021	31 March 2020
Provident fund	34.44	27.89
	34.44	27.89



Allygrow Technologies Private Limited**Notes to consolidated financial statements**

(All amounts are in Rupees lakhs, unless stated otherwise)

28 Share-based payments**(a) Employee option plan**

The Group's ESOP Plan is administered through an ESOP Trust, which subscribes to equity shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. Under the said scheme, as at end of March 31, 2021, 44,824 (March 31, 2020 : 44,824) numbers of equity shares have been allotted to ESOP Trust who will administer the ESOP Scheme on behalf of the Company.

The stock options are granted to specified set of employees and shall vest over a period of 4 years from the date of grant and an aggregate of 25% of the options under the plan shall vest annually upon the completion of each year from the date of grant, provided that the option holder remains an eligible person at the time of vesting. The options are issued at an exercise price of Rs 10/- each. Employees can exercise the option with a period of 10 years from the date of vesting.

The number and weighted average exercise price of stock options are as follows:

	31 March 2022		31 March 2021	
	Average exercise price per share option (INR)	Number of options	Average exercise price per share option (INR)	Number of options
Opening balance	10	43,483	10	43,483
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	10	-43,483	-	-
Closing Balance	-	-	-	43,483

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price (INR)	Share options 31 March 2022	Share options 31 March 2021
4 May 2016	-	10	-	36,289
28 July 2016	-	10	-	7,194
Weighted average remaining contractual life of options outstanding at end of period			-	-

Fair value of option granted

The fair value at grant date of options granted is Rs. 3,745 . The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information



29 Fair value measurements

Financial assets and liabilities at amortised cost

	31 March 2022	31 March 2021	1 April 2020
<u>Financial assets</u>			
Investments in equity instruments	1,855.76	2,240.66	1,465.65
Loans	-	-	23.71
Trade receivables	1,192.09	891.92	756.18
Cash and cash equivalents	1,394.54	460.47	539.16
Bank balances other than above	529.00	596.26	522.94
Security deposits	52.58	60.82	70.01
Other financial assets	7.63	4.62	4.76
Total financial assets	5,031.60	4,254.76	3,382.40
<u>Financial liabilities</u>			
Borrowings	-	-	88.83
Lease liabilities	243.70	326.79	142.08
Trade payable	270.68	158.60	138.01
Capital creditors	-	-	1.62
Misc expenses payable	5.03	6.06	3.42
Employee benefits payable	125.95	223.12	44.57
Total financial liabilities	645.36	714.57	418.53

i) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, security deposits, loans, cash and cash equivalents, trade payables, borrowings, capital creditors, current maturities of long term debt are considered to be the same as their fair values,

30 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Company's future financial performance.

The Group's activities exposes it to market risk, liquidity risk and credit risk.

A Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, security deposits, as well as credit exposure to outstanding receivables.

(i) Credit risk management

For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks and security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

Credit risk related to trade receivables arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Group has following types of financial assets that are subject to expected credit loss model:

- Trade receivables



Trade receivables

(c) Reconciliation of loss allowance provision - trade receivables

	Amount
Loss allowance as on 1 April 2020	(5.76)
Changes in loss allowance	(2.73)
Loss allowance as on 31 March 2021	(8.49)
Changes in loss allowance	8.49
Loss allowance as on 31 March 2022	-

Loans carried at amortised cost

All loan are considered to have a low credit risk, and the loss allowance recognised during the period was based on specific identification basis. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term which is generally based on past experience and any specific instances noted to the contrary.

B Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2022	0 to 1 year	More than 1 to 3 years	More than 3 to 4 years	5 years & above
Lease liabilities	100.46	143.24	-	-
Trade payables	270.68	-	-	-
Other financial liabilities	130.98	-	-	-
Total	502.12	143.24	-	-

31 March 2021	0 to 1 year	More than 1 to 3 years	More than 3 to 4 years	5 years & above
Lease liabilities	68.36	258.43	-	-
Trade payables	158.60	-	-	-
Other financial liabilities	229.18	-	-	-
Total	456.14	258.43	-	-

1 April 2020	0 to 1 year	More than 1 to 3 years	More than 3 to 4 years	5 years & above
Borrowings	88.83	-	-	-
Lease liabilities	33.20	81.95	26.93	-
Trade payables	138.01	-	-	-
Other financial liabilities	49.62	-	-	-
Total	309.65	81.95	26.93	-



C Market Risk

(i) Foreign currency risk

Currency risk means the risk that the result or economic situation of the Company changes due to changes in exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probably foreign currency cash flows.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of reporting period in INR (lakhs), are as follows

	31 March 2022		31 March 2021		1 April 2020	
	USD	EURO	USD	EURO	USD	EURO
Financial assets						
Trade receivables	81.79	35.04	62.89	8.49	535.38	15.19
Net exposure to foreign currency risk (assets)	81.79	35.04	62.89	8.49	535.38	15.19

The sensitivity of profit or loss to changes in foreign exchange rates with respect to year end payable / receivable balances is as follows :

	Impact on profit	
	31 March 2022	31 March 2021
Increase by 5%*		
USD	4.09	3.14
EURO	1.73	-0.75
Decrease by 5%*		
USD	-4.09	-3.14
EURO	-1.73	0.75

*Holding all other variables constant

(ii) Interest rate risk

The Company is not exposed to interest rate risk since it has no exposure of borrowings that are at variable rate of interest.

31 Capital management

Risk Management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.



32 Interests in other entities
(a) Subsidiaries

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	
Technology Associates Inc.	USA	%	%	%	%	Engineering Services
Allygrow Engineering Services Private Limited, India	India	100	100	-	-	Engineering Services
Allygrow Technologies GmbH (formerly known as AE Automotive Elements GmbH)	Germany	100	100	-	-	Engineering Services
Allygrow Technologies B.V.	Netherlands	100	100	-	-	Holding Company
Allygrow Technologies UK Ltd	UK	100	100	-	-	Engineering Services

(b) Interests in joint venture

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Fair value		Carrying amount	
					31 March 2022	31 March 2021	31 March 2022	31 March 2021
Allygram Systems and Technologies Private Limited	US	70%	Joint venture	Equity method	*	*	1,855.76	2,240.66
Total equity accounted investments					-	-	1,855.76	2,240.66

* Unlisted entity – no quoted price available.

Summarised financial information for Joint venture

Summarised balance sheet	Allygram Systems and Technologies Private Limited	
	31 March 2022	31 March 2021
Current assets		
Cash and cash equivalents	302.52	124.67
Other assets	1,820.63	2,387.38
Total current assets	2,123.15	2,512.05
Total non-current assets	939.88	993.31
Current liabilities		
Financial liabilities (excluding trade payables)	145.14	117.78
Other liabilities	200.68	59.71
Total current liabilities	345.82	177.49
Non-current liabilities		
Financial liabilities	40.57	112.89
Other liabilities	59.73	48.21
Total non-current liabilities	100.30	161.10
Net assets	2,616.91	3,166.77

Reconciliation to carrying amounts	Allygram Systems and Technologies Private Limited	
	31 March 2022	31 March 2021
Opening net assets	3,166.77	2,059.67
Profit for the year	589.70	1,104.68
Other comprehensive income	3.30	2.42
Dividends paid	-1,142.86	-
Closing net assets	2,616.91	3,166.77
Group's share in %	70%	70%
Group's share in INR	1,855.76	2,240.66
Carrying amount	1,855.76	2,240.66

Summarised statement of profit and loss	Allygram Systems and Technologies Private Limited	
	31 March 2022	31 March 2021
Revenue	2,989.33	2,901.39
Interest income	58.25	51.68
Depreciation and amortisation	403.07	472.31
Interest expense	13.51	18.93
Income tax expense	-30.43	-14.53
Profit for the year	589.70	1,104.68
Other comprehensive income	3.30	2.42
Total comprehensive income	593.00	1,107.10

Share of profits from Joint venture		
	31 March 2022	31 March 2021
Allygram systems and technologies pvt. Ltd.	412.79	773.32

Share of other comprehensive income from Joint venture		
	31 March 2022	31 March 2021
Allygram systems and technologies pvt. Ltd.	2.31	1.69



Allygrow Technologies Private Limited
Notes to consolidated financial statements
(All amounts are in Rupees lakhs, unless stated otherwise)

- 33** The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Management has made an assessment of liquidity, recoverable values of its financial and non-financial assets and has concluded that there are no material adjustments required in the financial statements. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with its nature and duration and no significant impact is envisaged on the operations.

34 Contingent Liabilities

On April 28, 2016, a civil suit has been filed on the Company and its key employees by an erstwhile employer of these employees, in relation to breach and violation of their employment contracts, alleging that they have breached confidentiality obligations in order to favour the Company, and seeking inter alia the following reliefs:

- Ceasing the use of alleged confidential information, trade secrets and know how of the erstwhile employer for the Company's business
- Damages to be paid to the tune of ₹ 20 Crores.

Based on management evaluation in consultation with legal counsel, the case holds no merit, hence, no provision in respect of this matter in the books as at March 31, 2022.

	31 March 2022	31 March 2021	1 April 2020
Guarantees	-	183.76	376.93
Total	-	183.76	376.93

- 35** The Group has paid for managerial remuneration to the directors in accordance with the provisions of Section 197 read with Schedule V to the Act. The Group proposes to obtain required approval of the shareholders at the ensuing annual general meeting for remuneration aggregating to 26.11 Lakhs paid to the directors.

36 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker(CODM). The CODM, being the Managing Director assesses the financial performance and position of the Company and makes strategic decisions.

37 Related party transactions

(a) Parent entities

The Group is controlled by the following entity

Name	Type	Place of incorporation	Ownership interest	
			31 March 2022	31 March 2021
Ceinsys Tech Limited	Ultimate holding	India	82.70%	0%

(b) Subsidiaries

Interests in subsidiaries are set out in note 32.

(c) Key management personnel compensation	31 March 2022	31 March 2021
Short term employee benefits	481.75	381.79
Post employee benefits	18.20	5.95
	499.95	

Loans to/from related parties	31 March 2022	31 March 2021	1 April 2020
Allygrow Technologies Private Limited Employees Group Gratuity Trust	-	-	23.71
Total	0.00	0.00	23.71



38 Additional information required by Schedule III in respect of parent and it's subsidiaries

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated and other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Allygrow Technologies Private Limited								
31 March 2022	55%	2,506.24	26%	218.17	-9%	(5.26)	23%	212.89
31 March 2021	62%	2,300.04	-325%	(864.44)	(0.51)	4.30	-335%	(860.14)
Subsidiaries (group's share)								
Indian								
Allygrow Engineering Services Private Limited,								
31 March 2022	4%	204.95	1%	10.53	-	-	1%	10.53
31 March 2021	5%	194.42	0%	(0.05)	-	-	0.01%	(0.05)
Foreign								
Technology Associates Inc.								
31 March 2022	40%	1,823.69	116%	984.65	72%	42.08	113%	1,026.51
31 March 2021	22%	797.18	243%	645.62	152%	-12.88	246%	632.74
Allygrow Technologies GmbH (formerly known as AE Automotive Elements								
31 March 2022	-1%	(25.04)	-4%	(31.48)	14%	8.15	-3%	(23.33)
31 March 2021	-10%	(354.44)	-14%	(36.74)	-	-	-14%	(36.74)
Allygrow Technologies B.V.								
31 March 2022	56%	2,550.81	-6%	(48.97)	14%	8.40	-4%	(40.57)
31 March 2021	70%	2,591.38	-19%	(50.79)	-	-	-20%	(50.79)
Allygrow Technologies UK Ltd.								
31 March 2022	-1%	(37.63)	1%	8.02	1%	0.47	1%	8.49
31 March 2021	0%	(46.12)	-2%	(4.95)	-	-	-2%	(4.95)
Consolidation Adjustments								
31 March 2022	-53%	(2,437.86)	-34%	(291.76)	8%	4.68	-31%	(286.84)
31 March 2021	-49%	(1,802.76)	217%	576.82	-1%	0.12	225%	576.94
Total								
31 March 2022	100%	4,585.16	100%	849.16	100%	58.52	100%	907.68
31 March 2021	100%	3,679.70	100%	265.47	100%	-8.46	100%	257.01



Allygrow Technologies Private Limited**Notes to consolidated financial statements**

(All amounts are in Rupees lakhs, unless stated otherwise)

39 Earning per share

	31 March 2022	31 March 2021
(a) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	849.17	265.47
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,52,712	67,058
Basic Earning per share	556.06	395.88
(b) Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	-	265.47
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	-	3,19,838
Diluted Earning per share	-	83.00



40 First-time adoption

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2022 the comparative information presented in these financial statements for the year ended 31 March 2021 and in the preparation of an opening Ind AS balance sheet at 1 April 2020 (the Company's date of transition). 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 Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

I Exemptions availed

a) Leases

Ind AS 101 permits following practical expedients on application of Ind AS 116.

The following practical expedients have been applied to all the leases

The lease liability is measured as the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of transition to Ind AS;

The right-of-use asset is measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS;

The following practical expedients have been applied -

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- elected not to apply provisions of Ind AS 116 on low value assets
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

II Exceptions applied

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:



41 Reconciliation of total equity as at 31 March 2021 and 1 April 2020

	Description	Notes to first time adoption	31 March 2021	1 April 2020
	Total Equity as per previous GAAP		3,999.07	3,507.15
	<u>Ind-AS Adjustments Increase in Equity/ (Decrease in Equity) </u>			
i.	Lessee accounting under Ind-AS 116	1	(17.42)	
ii.	Deferred tax liabilities on share of profit in joint venture		(298.21)	(97.15)
iii.	Translation differences on long term monetary assets		(0.11)	
iv.	Ind-AS effect of share of profit of joint venture		(3.63)	
	Total Ind-AS adjustments		(319.37)	(97.15)
	Total Equity as per Ind-AS		3,679.70	3,410.00

Reconciliation of total comprehensive income for the year ended 31 March 2021

	Description	Notes to first time adoption	31 March 2021
	Net profit after tax under previous GAAP		488.52
	<u>Ind AS adjustments Increase in profits / (decrease in profits) </u>		
i.	Lessee accounting under Ind-AS 116	1	(17.42)
ii.	Translation differences on long term monetary assets	3	0.80
iii.	Share of profit of joint venture		(5.37)
iv.	Deferred tax liabilities on investment in joint venture		(201.06)
	Total of adjustments		(223.05)
	Net Profit after tax as per Ind-AS		265.47
	Other comprehensive income		
i.	Remeasurements of post-employment benefit obligations	2	4.30
ii.	Share of other comprehensive income of joint ventures accounted for using the equity method		1.69
iii.	Exchange differences on translation of foreign operations		(14.45)
	Total Other comprehensive income		(8.46)
	Total Comprehensive Income as per Ind AS		257.01

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2021

	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	(6.55)	127.35	120.80
Net cash flows from investing activities	30.19	(61.61)	(31.42)
Net cash outflows from financing activities	(89.62)	(70.19)	(159.81)
Net increase/(decrease) in cash and cash equivalents	(65.98)	(4.46)	(70.44)
Cash and cash equivalents as at 31 March 2020	650.88	(111.72)	539.16
Add/(less) : Exchange gain/(loss) on cash and cash equivalents	-	(8.26)	(8.26)
Cash and cash equivalents as at 31 March 2021	584.90	(124.44)	460.46



Notes to first-time adoption

1 Lessee accounting under Ind-AS 116

As per Ind-AS 116, the Company recognises a lease liability and right-of-use asset for all contracts that are or contain a lease unless the lease contract pertain to short-term leases or leases for which the underlying asset is of low value. The lease liabilities are measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as at 1 April 2020. The weighted average lessee's incremental borrowing rate applied to lease liabilities as on 1 April 2020 was 10%.

The Company has recognised a lease liability of Rs.142.08 lakhs and right-of-use assets amounting to Rs.138.62 lakhs as at the transition date. The Company has also adjusted the lease liability balance appearing in the previous GAAP financial statements as lease equalisation of Rs.3.45 lakhs from the corresponding Right of use asset. Accordingly, the right-of use asset is equal to the lease liability reduced by the lease equalisation liability.

The Company has further recognised during the year ended 31 March 2021, lease liabilities and right-of-use assets amounting Rs.287.06 lakhs.

This has resulted in a decrease in total equity as at 31 March 2021 by 17.42 lakhs (1 April 2020 - Nil) and decrease in the profit for the year ended 31 March 2021 by Rs. 17.42 lakhs.

Impact on Cash flows

As per IND-AS 116, the Company recognises a lease liability under cash flow from financing activities, Under previous IGAAP it has been recorded under cash flow from operating activities.

2 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability, are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2021 increased by Rs.4.30 lakhs with corresponding decrease in other comprehensive income. There is no impact on the total equity as at 31 March 2020.

3 Translation difference on long term monetary assets

Under Ind AS cumulative translation differences deemed to zero at the date of transition to Ind -AS. As a result the year ended 31 March 2021 decreased by 0.80 lakhs. There is no impact on the total equity as at 31st march 2020.

4 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

5 Retained earnings

Retained earnings as at 1 April 2020 has been adjusted consequent to the above Ind AS transition adjustments.

6 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.



Notes forming part of the Financial Statements as at and for the year ended March 31, 2022

All amounts in Rs Lakhs, unless otherwise stated

42. Regulatory update- Analytical Ratios*

Ratio	Numerator	Denominator	For the year ended		% Variance	Reasons for Variance
			March 31, 2022	March 31, 2021		
(a) Current Ratio	Current Assets	Current Liabilities	5.15	3.10	66.13%	Trade receivables & Cash bank balance has been increased compared to March 21 as well there is increase in payables & reduction in other liabilities which resulted in higher working capital. Therefore in the Current Ratio is high.
(b) Return on Equity Ratio	Net Profit after tax	Average Shareholder's Equity	21%	7%	-174.40%	Net Profit Increased due to increase in Sale of Services which was on the lower side in 21 due to Covid-19 Impact, as the market opens it resulted into higher sales which increased the Net Profit of the company. Also the Average Working Capital is also increased which contributing to positive return on equity ratio.
(c) Trade Receivables turnover Ratio (in days)	Average Trade Receivables	Revenue from operations	99	106	-6.67%	Not Applicable, as variance is less than 25%
(d) Net capital turnover Ratio	Revenue from Operations	Average Working Capital	1.92	1.78	7.86%	Not Applicable, as variance is less than 25%
(e) Trade Payables turnover ratio (in days)	Average Trade Payables	Revenue from operations	20	19	6.82%	Not Applicable, as variance is less than 25%
(f) Net profit Ratio	Net Profit after tax	Revenue from operations	22%	9%	-136.09%	Net Profit increased due to increase in Sale of Services which was on the lower side in 21 due to Covid-19 Impact, as the market opens it resulted into higher sales which increased the Net Profit of the company.
(g) Return on Capital Employed (RoCE)	Earning before interest and taxes	Capital Employed (Capital Employed = Total Tangible Net worth + Total Debt + Deferred Tax Liability)	19%	8%	-146.20%	ROCE on higher side due to increase in higher Net EBITDA as the sales was higher in FY 22 compare to FY 21.
(h) Return on investment (RoI)	Earning before interest and taxes	Closing Total Assets	16%	6%	-170.70%	ROI increased due to higher Net Profit & increase in the assets which leads to positive ROI compare to FY 21.

* Other ratios as defined in Schedule III of the Companies Act, 2013 are not applicable to the Company and hence not disclosed above



43 Other regulatory information

(i) Title deeds of immovable properties not held in name of the company

The lease agreements for properties where the company is the lessee are duly executed in favour of the lessee. No immovable properties are held in the name of the company.

(ii) Registration of charges or satisfaction with Registrar of Companies

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

(iii) Utilisation of borrowings availed from banks and financial institutions

There are no borrowings from banks and financial institutions.

(iv) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(v) Borrowing secured against current assets

The company has no borrowings from banks and financial institutions on the basis of security of current assets.

(vi) Wilful defaulter

None of the entities in the company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(viii) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

(ix) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(xii) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xiii) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.



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Notes to consolidated financial statements

(All amounts are in Rupees lakhs, unless stated otherwise)

44 The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP figures has been regrouped to align them with requirements of Ind AS.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



Vivian Pillai

Partner

Membership No.: 127791

Place: Melbourne

Date: May 30, 2022

For and on behalf of the board of directors of
Allygrow Technologies Private Limited



Vishal Pawar

Director

DIN : 07440832

Place : NAGPUR



Krishnan Rathnam

Chief Financial Officer

Place : PUNE

Date : May 28, 2022



Prashant Kamat

Director

DIN : 07212749

Place : NAGPUR



Allygrow Technologies Private Limited
Notes to consolidated financial statements
(All amounts in Rs. Lakhs, unless otherwise stated)

1. General Information

Allygrow Technologies Private Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company and its subsidiaries (together referred to as the Group) and its associate is engaged in the business of providing engineering design and engineering research and development services. The Company's registered office and principal place of business is in 4A, ground floor, IT8, Qubix Business Park SEZ Township Blue Ridge Town Pune, Phase 1, Paranjpe Schemes, Hinjawadi, Pune, Maharashtra.

2. Basis of preparation and summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

i. Compliance with Ind-AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to the year ended 31 March 2021 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer note 39 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

ii. Historical cost convention

The financial statements have been prepared on historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments).
- defined benefit plans.
- share based payments

iii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.



Allygrow Technologies Private Limited
Notes to consolidated financial statements
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(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the financial statements in the current or future reporting periods and on foreseeable future transactions.

2.2. Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

ii. Joint arrangements

Under Ind AS 111, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Allygrow technologies Limited has joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the consolidated balance sheet.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.



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Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.3(g) below.

2.3. Summary of significant accounting policies

a) Foreign currency transactions

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss and presented in the Statement of Profit and Loss on a net basis within Other expenses/Other Income as the case may be.

A monetary item for which settlement is neither planned likely to occur in the foreseeable future is considered part of the entity's net investment in that foreign operation.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction)



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dates, in which case income and expenses are translated at the dates of the transactions),
and

- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

b) Revenue recognition

Revenue from engineering services and allied services comprises of revenues earned from time and material and fixed price contracts. Revenue from time and material contracts is recognised as the related services are performed.

Fixed -price contracts include an hourly fee. Revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is due at the end of the month for the hours spent.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

c) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined



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using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

d) Leases

As a lessee

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments –

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, currency, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received



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- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company; and
- makes adjustments specific to the lease, e.g. term, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following –

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis as an expense in profit or loss.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

e) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity



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over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

For the purposes of assessing impairment, assets are tested at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks and other short-term deposits, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at the amortised cost using the effective interest method, less loss allowance.



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i) Other financial assets

i. Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortized cost.

The classification is done depending upon the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition

Financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

iii. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follows:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in Other Income.

Impairment losses are presented as a separate line item in the statement of profit and loss.

iv. Impairment of financial assets



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The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v. Derecognition of financial assets

A financial asset is derecognized only when

- Group has transferred the rights to receive cash flows from the financial asset.
- Retains the contractual rights to receive cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

vi. Income recognition

Interest income from financial assets at amortized cost is calculated using the effective interest method and is recognized in the statement of profit and loss as part of Other Income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

j) Offsetting financial instruments

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



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k) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period .

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The company does not designate derivative contracts as hedging instruments and therefore subsequent changes in fair value are recognised in profit or loss.

l) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the costs of the assets, net of their residual value over their estimated useful lives

Assets	Useful life as per Schedule II
Computers/IT assets	3 years
Servers and Equipment	3 years
Office Equipment	5 years
Furniture and Fixtures	5 years

The residual values of the assets are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss.



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m) Intangible assets

Intangible Assets are stated at acquisition cost less accumulated amortization and impairment losses, if any. Amortization period and amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows:

Assets	Useful life
Computer software	3 years

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired.

p) Provisions and contingent liabilities

Provisions for legal claims and service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at undiscounted amounts since the impact of discounting is not material.

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



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q) Employee benefits

Short term obligations

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

Other long-term employee benefit obligations

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

(i) Gratuity obligations

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.



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The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(ii) Defined contribution plans

Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via Employee Option Plans.

Employee options

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g. the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period)
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

(iv) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates



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- i. When the Group can no longer withdraw the offer of those benefits: and
- ii. When the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits

In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

r) Contributed equity

Equity shares are classified as equity. Compulsory convertible instruments such as preference shares and/or debentures that will be or are expected to be settled in the Company's own equity instruments are classified as equity if they are expected to be settled into a fixed number of equity shares.

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

s) Earnings per share

i. Basic earnings per share is calculated by dividing

- dividing the profit or loss attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

ii. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- the after tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

Note 3: Critical estimates and judgements



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The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Significant Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

1. Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases, the following factors are normally the most relevant –

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- Most extension options in premises leases have not been included in the lease liability, because the contract does not give the Company a sole right to extend the lease but the same is subject to mutual consideration between the lessor and the Company.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee.

2. Legal contingencies

In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the



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amount of loss. The filing of suit or a formal assertion of a claim against the Company or the disclosure of any suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

1. Estimation of defined benefit obligation

The costs, assets and liabilities of the defined benefit schemes operating by the company are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions and the sensitivity of the net assets/liability position to changes in those key assumptions are set out in note 27. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the statement of profit and loss and the balance sheet for the periods under review.

2. Fair Value of employee share options

The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions include expected volatility, share price, expected dividends, term and discount rate, under this pricing model. Refer Note no. 28

