Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Corporate Information

Happiest Minds Technologies Limited ("the Company") is engaged in next generation IT solutions & services Company, enabling organizations to capture the business benefits of emerging technologies of cloud computing, social media, mobility solutions, business intelligence, analytics, unified communications and internet of things. The Company offers high degree of skills, IPs and domain expertise across a set of focused areas that include Digital Transformation & Enterprise Solutions, Product Engineering, Infrastructure Management, Security, Testing and Consulting. The Company focuses on industries in the Retail/Consumer Product Goods(CPG), Banking, Financial Services and Insurance (BFSI), Travel & Transportation, Manufacturing and Media space. Happiest Minds Provide a Smart, Secure and Connected Experience to its Customers. In the Solution space, focus areas are Security, M2M and Mobility solutions.

The Company is a limited company, incorporated and domiciled in India and has a branch office at United States of America, United Kingdom, Australia, Canada, Netherland, Singapore, Malaysia and Dubai. The registered office of the Company is situated at #53/1-4, Hosur Main Road, Madivala (next to Madivala Police Station) Bengaluru 560068.

The Company's Standalone Financial Statements for the year ended March 31, 2023 were approved by Board of Directors on May 8, 2023.

1 Basis of preparation of Standalone Financial Statements

a Statement of Compliance

The Standalone Financial Statements (SFS) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the SFS.

This note provides a list of the significant accounting policies adopted in the preparation of the Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

These Standalone Financial Statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2023.

The Standalone Financial Statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

a) Defined benefit plan - plan assets measured at fair value

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

c) Derivative financial instruments

d) Contingent consideration

b Functional Currency and Presentation Currency

These Standalone Financial Statements are presented in India Rupee (₹), which is also functional currency of the Company. All the values are rounded off to the nearest lakhs (₹ 00,000) unless otherwise indicated.

c Use of Estimates and Judgements

In preparing these Standalone Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the financial Statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone Financial Statements.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone Financial Statements is included in the following notes:

- Note 2 (c) and Note 2 (d)- Useful life of property, plant and equipment and intangible assets;
- Note 2 (g) - Lease classification;
- Note 2(i) - Financial instrument; and
- Note 2 (m) - Measurement of defined benefit obligations: key actuarial assumptions.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2023 is included in the following notes:

- Note 2 (e) - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2 (o) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2 (i) - Impairment of financial assets
- Note 2 (q) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

d Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these Standalone Financial Statements.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

a Revenue Recognition

The Company derives revenue primarily from rendering of services and sale of licenses. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company is a principal in rendering of services and agent in relation to sale of licenses. Amounts disclosed as revenue are net of trade allowances, rebates and Goods and Services tax (GST), amounts collected on behalf of third parties and includes reimbursement of out-of-pocket expenses, with corresponding expenses included in cost of revenues.

Revenue from the rendering of services and sale of license is recognised when the Company satisfies its performance obligations to its customers as below:

Rendering of Services

The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised product or service is combined and accounted as a single performance obligation.In determining the transaction price for rendering of services, the Company considers the effect of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customers if any. Revenue is recognised net of trade and cash discounts. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the stand-alone selling price. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

Revenues from services comprise primarily income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognised over the period of time as the related services are performed. Revenue with respect to fixed price contracts where performance obligation is transferred over time are recognized using the ""percentage of completion"" method. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognized, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.. Provisions for estimated losses on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates.

Trade Receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of Licenses

The Company is a reseller for sale of right to use licenses and acting as agent in the arrangement. The revenue for sale of right to use license is recognised at point in time when control on use of license is transferred to the customer.

Contract Balances

Contract assets: The Company classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of

Notes to the Standalone Financial Statements for the year ended March 31, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current assets. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the Statements of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statements of profit and loss.

Dividend Income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other income" in the Statements of profit and loss account.

b Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in other expenses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Company's) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS - 109

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Instruments, is measured at fair value with changes in fair value recognised in profit and loss in accordance with Ind AS - 109. If the contingent consideration is not within the scope of Ind AS - 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in the Statement of Profit and Loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

c Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in Statement of Profit and Loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment individually costing ₹ 5,000 or less are depreciated at 100% in the year in which such assets are ready to use.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

The estimates of useful lives of tangible assets are as follows:

Class of asset	Useful life as per schedule II	Useful life as per Company
Furniture and fixtures	10 years	5 years
Office equipment	5 years	4 years
Buildings	60 years	50 years
Computer systems	6 years for servers 3 years for other than servers	2.5-3 years

Leasehold improvements are amortised over the period of the lease or life of the asset whichever is less.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

The useful lives have been determined based on technical evaluation done by the management's expert which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life 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.

d Intangible Assets

Goodwill

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Company of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Company of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation Methods and Periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Asset	Life in Years
Computer software	2.5-3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:

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

Subsequent costs related to intangible assets are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

e Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

f Borrowing Cost

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

g Leases

The Company has lease contracts for various items of computers, vehicles and buildings used in its operations. Lease terms generally ranges between 1 and 5 years.

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

Company as Lessee

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Right-of-use Assets

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

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(e) for policy on impairment of non-financial assets.

Lease Liabilities

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

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

Short-term Leases and Leases of low-value Assets

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

Lease and Non-Lease Component

As per Ind AS - 116, "As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component".

The company have not opted for this practical expedient and have accounted for Lease component only.

Extension and Termination Option

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

h Investment in Subsidiary

The Company recognizes its investments in subsidiary and associate companies at cost less accumulated impairment loss, if any. Cost represents amount paid for acquisition of the said investments. The details of such investment is given in note 6. Refer to the accounting policies in note 2(e) for policy on impairment of non-financial asset.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

i Financial Instruments

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

Non-derivative Financial Instruments :

a) Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially 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. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS - 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principle and interest (SPPI)' on the principle amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at Fair Value Through Profit and Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt Instruments at Amortised Cost

A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 13.

Debt instrument at Fair Value Through Other Comprehensive Income (FVTOCI)

A 'Debt instrument' is classified as at the Fair Value Through Other Comprehensive income (FVTOCI) if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent 'solely payments of principle and interest (SPPI)'.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

Debt instrument at Fair Value Through Profit and Loss (FVTPL)

Fair Value Through Profit and Loss (FVTPL) is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value Through Other Comprehensive income (FVTOCI), is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity Investments

All equity investments in scope of Ind AS - 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS - 103 applies are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at Fair Value Through Other Comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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

  When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Reclassification of Financial Assets

The Company determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Impairment of Financial Assets

In accordance with Ind AS - 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables, unbilled revenue and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS - 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables, unbilled revenue and contract assets

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

b) Financial Liabilities :

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at fair Value through Profit And Loss (FVTPL)

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at Fair Value Through Profit or Loss (FVTPL). Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS - 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

c) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings. For more information refer note 19.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) Offsetting of Financial Instruments

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

Derivative Financial Instruments and Hedge Accounting:

Initial Recognition and Subsequent Measurement :

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income (OCI) and later reclassified to Statement of Profit and Loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

The Company designates certain foreign exchange forward and cross currency interest rate swaps as cash flow hedges with an intention to hedge its existing liabilities and highly probable transaction in foreign currency. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

j Fair Value Measurement

'Fair Value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statement are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

k Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Standalone Statement of Cash Flows , cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

l Foreign Currency Translation

(i) Functional and Presentation Currency:

Items included in the Standalone Financial Statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (₹), which is functional and presentation currency of the Company.

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 Statement of Profit and Loss.

m 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 employee's 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 financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other long-term Employee Benefit Obligations

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They 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 market yields on government bonds 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 Statement of 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 twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment Obligations

The company operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Gratuity obligations

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 an independent actuary 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 term approximating the term of the related obligation. 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.

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. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss subsequently.

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

Defined Contribution Plan

Retirement benefit in the form of provident fund scheme, Social security, National Insurance, Superannuation, Medicare schemes are the defined contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

n Employee share based payments

Certain employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

Equity-settled Transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black Scholes model except for the option on date of modification of plan from cash settled to equity settled transaction (refer modification of plan).

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

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

o Taxation

Income tax comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In the situations where Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in Statement of Profit and Loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

p Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares from the Company, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares. Refer note 16.

No gain or loss is recognised in Statement of Profit and Loss on the issue or cancellation of the Company's own equity instruments.

On consolidation of EBT with the Company, the value of shares held by trust is shown as a deduction from equity (i.e. reduction from share capital to the extent of face value and remaining from securities premium). Gains/ losses recognized by the trust on issue of shares are shown as a part of securities premium.

Share options exercised during the reporting period are issued from treasury shares.

q Provisions and Contingent Liabilities

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for Warranty

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates. The estimate of such warranty-related costs is revised annually.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the Standalone Financial Statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

r Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has identified three reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The Company publishes standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements. Accordingly, the segment information is given in the consolidated financial results of Happiest Minds Technologies Limited and its subsidiary for the year ended March 31, 2023.

s Earnings/(Loss) per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period (including treasury share).

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions and CCPS during the year.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

t Change in Accounting Policies and Disclosure

(i) Amendments to Ind AS 37– Provisions, Contingent Liabilities and Contingent Assets-

The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The amendment had no impact on the Standalone Financial Statements of the Company.

u Standards notified but not yet effective:

(i) Amendments to Ind AS 12 – "Income Taxes"

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact is insignificant on its Standalone financial statements.

(iii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

There were no other standard notified but not yet effective upto the date of issuance of the Company's financial statements.

v Critical Estimates and Judgements

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:

Significant Judgements and Estimates

(a) Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 34.

(b) Impairment of Investment in Subsidiary

The Company has investment in subsidiary which have been tested for impairment as at the year end. Estimates involved in this assessment are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on these subsidiaries that are believed to be reasonable under the circumstances.

(c) Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

(d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. Refer note 4.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

(e) Deferred Taxes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all the deductible temporary differences, however the same is restricted to the extent of the deferred tax liabilities unless it is probable that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Refer note 11.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

3 Property, Plant and Equipment

	Land	Building	Computer Systems	Office equipments	Furniture and fixtures	Leasehold improvements	Total	Capital work-in-progress
Cost or valuation								
As at April 1, 2021	-	-	247	134	25	46	452	14
Additions	-	-	45	11	-	11	67	-
Transfers from CWIP	-	-	-	-	-	14	14	(14)
Disposals	-	-	(27)	(1)	-	-	(28)	
As at March 31, 2022	**-**	**-**	**265**	**144**	**25**	**71**	**505**	**-**
Additions	4,423	8,354	164	121	43	159	13,264	185
Transfers from CWIP	-	-					-	-
Disposals	-	-	(48)	-	(1)		(49)	-
As at March 31, 2023	**4,423**	**8,354**	**381**	**265**	**67**	**230**	**13,720**	**185**
Accumulated depreciation								
As at April 1, 2021			219	98	25	43	385	-
Charge for the year	-	-	37	18	-	16	71	
Disposals	-	-	(27)	(1)	0	0	(28)	
As at March 31, 2022	**-**	**-**	**229**	**115**	**25**	**59**	**428**	**-**
Charge for the year	-	119	62	21	5	23	230	
Disposals	-	-	(48)	-	(1)		(49)	
As at March 31, 2023	**-**	**119**	**243**	**136**	**29**	**82**	**609**	**-**
Net book value								
As at March 31, 2022	**-**	**-**	**36**	**29**	**-**	**12**	**77**	**-**
As at March 31, 2023	**4,423**	**8,235**	**138**	**129**	**38**	**148**	**13,111**	**185**

Note:

(i) Refer note 19 for details of charge created on the Property, plant and equipment.

Capital work-in-progress (CWIP) Ageing

As at March 31, 2023

	Amount in CWIP for a period				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in progress	185	-	-	-	185
Projects temporarily suspended	-	-	-	-	-
Total	**185**	**-**	**-**	**-**	**185**

There were no CWIP as at March 31, 2022.

4 Goodwill and Other Intangible Assets

i) Goodwill

	March 31, 2023	March 31, 2022
Cost or valuation		
Deemed cost		
As at April 01	2,498	2,498
As at March 31	**2,498**	**2,498**
Accumulated Impairment		
As at April 01	1,887	1,887
As at March 31	**1,887**	**1,887**
Net book value as at March 31	**611**	**611**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

ii) Other Intangible Assets

	Other intangible assets				Intangible assets under development
	Customer relationships	Non-compete	Computer software	Total	
Cost or valuation					
As at April 1, 2021	**204**	**11**	**290**	**505**	**-**
Additions	-	-	311	311	35
Transfer from intangible assets under development	-	-	-	-	-
As at March 31, 2022	**204**	**11**	**601**	**816**	**35**
Additions	-	-	363	363	46
Transfer from intangible assets under development	-	-	-	-	-
As at March 31, 2023	**204**	**11**	**964**	**1,179**	**81**
Accumulated amortisation					
As at April 1, 2021	**204**	**11**	**225**	**440**	**-**
Charge for the year	-	-	105	105	-
As at March 31, 2022	**204**	**11**	**330**	**545**	**-**
Charge for the year	-	-	240	240	-
As at March 31, 2023	**204**	**11**	**570**	**785**	**-**
Net book value					
As at March 31, 2022	**-**	**-**	**271**	**271**	**35**
As at March 31, 2023	**-**	**-**	**394**	**394**	**81**

Intangible Assets under Development (IAUD) Ageing

As at March 31, 2023	Amount in IAUD for a period				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in progress	46	35	-	-	81
Projects temporarily suspended	-	-	-	-	-
Total	**46**	**35**	**-**	**-**	**81**

As at March 31, 2022	Amount in IAUD for a period				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in progress	35	-	-	-	35
Projects temporarily suspended	-	-	-	-	-
Total	**35**	**-**	**-**	**-**	**35**

Impairment of Goodwill

The Goodwill of ₹ 1,887 lakhs relates to business acquisition of OSS Cube Solutions Limited and ₹ 611 lakhs relates to the business acquisition of Cupola Technology Private Limited which has been allocated to OSS Cube and Internet of things (IoT) cash generating units (CGUs) respectively. Goodwill related to OSS cube is fully impaired.

Goodwill is tested for impairment on an annual basis by the Company. The recoverable value of the CGU is determined based on value-in-use calculation using the cash flow projections based on the financial budgets approved by the management covering a five year period.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

The following table sets out the key assumptions for calculation of value-in-use for these CGUs:

	IoT	
	March 31, 2023	March 31, 2022
Discount rate	22.89%	22.32%
Long term growth rate	4.00%	4.00%
Sales growth	10.00%	20.00%
Carrying value of goodwill	611	611

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

There is no impairment noted in the IoT CGU based on the assessment performed by the management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the IoT CGU lower than the carrying amount of CGU.

5 Right-of-use Assets

	Computer systems	Office equipment	Office buildings	Motor vehicles	Total
As at April 1, 2021	**833**	**-**	**1,305**	**11**	**2,149**
Additions	1,495	-	3,992	-	5,487
Depreciation	(750)	-	(1,492)	(5)	(2,247)
As at March 31, 2022	**1,578**	**-**	**3,805**	**6**	**5,389**
Additions	1,143	125	2,867	183	4,318
Disposals	-	-	(1,395)	-	(1,395)
Depreciation	(1,186)	(9)	(1,304)	(27)	(2,526)
As at March 31, 2023	**1,535**	**116**	**3,973**	**162**	**5,786**

The average lease period of the leased assets is 3.9 years (March 31, 2022: 4.7 years)

The Company recognized the following income and expense in the statement of profit and loss pertaining to leased assets:

	March 31, 2023	March 31, 2022
Rent concession income	71	323
	71	**323**
Interest expense on lease liabilities	544	487
Depreciation of Right-of-use assets	2,526	2,247
Rent expense pertaining to short- term leases	307	237
	3,377	**2,971**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

6 Investments

Unquoted, Carried at Cost Less Impairment

	March 31, 2023	March 31, 2022
Investment in Subsidiary:		
Investment in Equity shares of Happiest Minds Inc. (formerly known as PGS Inc.)	6,025	6,025
1,00,000 (March 31, 2022 : 1,00,000) equity shares of face value of $1 each, fully paid		
Investment in Equity shares of Sri Mookambika Infosolutions Private Limited	13,694	-
10,000 (March 31, 2022 : Nil) equity shares of face value of ₹ 100 each, fully paid		
	19,719	6,025
Less: Impairment in value of investment	-	-
	19,719	**6,025**
Aggregate amount of quoted investment and market value thereof	-	-
Aggregate amount of unquoted investment	19,719	6,025
Aggregate amount of impairment in the value of investments	-	-

Note : Investment in subsidiaries includes principal place of business and proportion of ownership interest:

Name of entity	Nature	Country of incorporation	Ownership interest held by Company in %	
			March 31, 2023	March 31, 2022
Happiest Minds Inc. (formerly known as PGS Inc.)	Subsidiary	USA	100	100
Sri Mookambika Infosolutions Private Limited	Subsidiary	India	100	100

7 Loans

Carried at Amortised Cost

	March 31, 2023	March 31, 2022
Non-current		
Loans considered good - Unsecured		
Loans to Subsidiary - Refer note 38	2,465	2,274
	2,465	**2,274**
Current		
Loans considered good - Unsecured		
Loans to employees	64	4
	64	**4**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

8 Other Financial Assets

		March 31, 2023	March 31, 2022
(a)	**Other financial assets carried at amortised cost**		
	(unsecured, considered good, unless otherwise stated)		
	Non-current		
	Fixed deposit with maturity of more than 12 months	7,131	1,113
	Margin money deposits - refer note (i) below	1,720	375
	Security deposit	498	339
		9,349	**1,827**
(i)	Margin money deposit is used to secure:		
	Term loan - Federal bank	952	370
	Guarantees given	768	5
	Current		
	Interest accrued on fixed deposit	900	26
	Unbilled revenue #	10,311	8,418
	Security deposit	186	389
	Interest accrued on loan to subsidiary - refer note 38	162	31
	Other receivables	44	11
		11,603	**8,875**
	Security deposit - credit impaired	1	1
	Less: Allowance for credit impaired loans	(1)	(1)
	Less: loss allowance on unbilled revenue	(231)	(169)
		11,372	**8,706**

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time. Includes ₹ 71 (March 31, 2022 : ₹ 89) from related party. Refer note 38

		March 31, 2023	March 31, 2022
(b)	**Derivative instruments carried at fair value through OCI**		
	Cash flow hedges		
	Foreign currency forward contracts - refer note 36	166	249
	Cross currency interest rate swap - refer note 36	363	-
		529	**249**
Total other current financial assets		**11,901**	**8,955**

9 Income Tax Assets (Net)

	March 31, 2023	March 31, 2022
Non - current		
Income tax assets (net)	1,196	679
	1,196	**679**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

10 Other Assets

	March 31, 2023	March 31, 2022
Non - current		
Prepaid expenses	93	1
	93	**1**
Current		
Prepaid expenses	1,698	982
Balances with statutory / government authorities	308	170
Advance to employees against expenses	160	58
Advance to suppliers	145	92
Other advances	407	100
Unbilled revenue #	1,462	1,870
	4,180	**3,272**
Less: loss allowance on unbilled revenue	(33)	(37)
	4,147	**3,235**

Represents contract assets, classified as non-financial assets as the contractual right to consideration is dependent upon completion on contractual milestones.

11 Deferred Tax Assets (Net)

The Company has recognised deferred tax on temporary deductible difference which are probable to be available against future taxable profit.

	March 31, 2023	March 31, 2022
Deferred tax assets (net)	1,246	697
	1,246	**697**

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2023 :

	April 01, 2022	Recognised in profit or loss [charge/(credit)]	Recognised in Other comprehensive income [charge/(credit)]	March 31, 2023
Mutual funds	361	(361)	-	-
Goodwill	154	-	-	154
Property, plant and equipment and intangible assets	(61)	83	-	22
Derivative assets	48	-	(159)	(111)
Loss allowance on trade receivables	(307)	175	-	(132)
Lease liability and right-of-use assets	(132)	(80)	-	(212)
Provision for gratuity and leave encashment	(531)	(173)	(31)	(735)
Others	(229)	(3)	-	(232)
Deferred tax assets (net)	**(697)**	**(359)**	**(190)**	**(1,246)**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2022 :

	April 01, 2021	Recognised in profit or loss [charge/(credit)]	Recognised in Other comprehensive income [charge/(credit)]	March 31, 2022
Mutual funds	54	307	-	361
Goodwill	91	63	-	154
Derivative assets	128	-	(80)	48
Property, plant and equipment and intangible assets	(75)	14	-	(61)
Loss allowance on trade receivables	(318)	11	-	(307)
Lease liability and right-of-use assets	(125)	(7)	-	(132)
Provision for gratuity and leave encashment	(618)	111	(24)	(531)
Others	(163)	(66)	-	(229)
Deferred tax assets (net)	**(1,026)**	**433**	**(104)**	**(697)**

12 Investments

Carried at fair value through statement of profit and loss

	March 31, 2023 Units in lakhs	March 31, 2022 Units in lakhs	March 31, 2023 Amount	March 31, 2022 Amount
Current				
Aditya Birla - Money manager fund - Growth	-	3	-	803
Aditya Birla - Savings Fund - Growth	-	19	-	8,370
Axis - Banking and PSU debt fund - Growth	-	1	-	3,062
HDFC - Ultra short term fund - Growth	-	727	-	9,023
ICICI Prudential - Short term fund - Growth	-	72	-	3,679
ICICI Prudential - Ultra short term fund - Growth	-	367	-	8,785
IDFC - Banking and PSU debt fund - Growth	-	175	-	3,578
Kotak - Banking & PSU Debt fund - Growth	-	76	-	4,119
L&T - Banking & PSU Debt fund - Growth	-	194	-	4,087
Nippon - Banking and PSU debt fund - Growth	-	27	-	459
UTI - Ultra short term fund - Growth	-	*	-	435
			-	**46,400**

Note:

* Units are not presented as they are below the rounding off norms adopted by the Company.

	March 31, 2023	March 31, 2022
Aggregate book value of quoted investments	-	46,400
Aggregate market value of quoted investments	-	46,400
Aggregate book value of unquoted investments	-	-
Aggregate market value of unquoted investments	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

13 Trade Receivables

Carried at amortised cost

	March 31, 2023	March 31, 2022
Current		
Trade receivables - others	18,063	14,521
Trade receivables - related party - refer note 38	1,822	1,606
Total trade receivables	**19,885**	**16,127**
Break-up for security details		
Unsecured, considered good	20,409	17,351
	20,409	**17,351**
Impairment allowance		
Unsecured, considered good	(524)	(1,224)
Trade receivables net of impairment	**19,885**	**16,127**

Trade receivables Ageing Schedule

As at March 31, 2023	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	13,962	5,815	312	291	14	15	20,409
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**13,962**	**5,815**	**312**	**291**	**14**	**15**	**20,409**
Less: Impairment allowance	-	-	-	-	-	-	(524)
Total							**19,885**

As at March 31, 2022	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	12,788	3,625	385	337	93	123	17,351
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

As at March 31, 2022	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**12,788**	**3,625**	**385**	**337**	**93**	**123**	**17,351**
Less: Impairment allowance	-	-	-	-	-	-	(1,224)
Total							**16,127**

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 38.

(ii) Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

(iii) For terms and conditions relating to related party receivables refer note 38.

(iv) For unbilled revenue refer note 8.

14 Cash and Cash Equivalents

	March 31, 2023	March 31, 2022
Balances with banks:		
- in current accounts	4,313	4,521
- in EEFC accounts	1,653	1,080
	5,966	**5,601**

15 Bank and Bank Balance other than Cash And Cash Equivalents

	March 31, 2023	March 31, 2022
Fixed deposit	45,432	9,092
Margin money deposits - refer note (i) below	15,997	972
Balances with bank in unpaid dividend account	12	7
	61,441	**10,071**
(i) Margin money deposit is used to secure:		
Working capital facility and bank overdrafts	15,200	200
Term loan - Federal bank	790	-
Guarantees given	7	772

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

16 Share Capital

Equity Share Capital

i) Authorised Share Capital

	Numbers	Amount
Equity share capital of ₹ 2 each		
As at April 1, 2021	**22,93,00,000**	**4,586**
Increase during the year	-	-
As at March 31, 2022	**22,93,00,000**	**4,586**
Increase during the year	-	-
As at March 31, 2023	**22,93,00,000**	**4,586**

ii) Issued, subscribed and fully paid up Equity share capital

	Numbers	Amount
Equity share capital of ₹ 2 each, fully paid up		
As at April 1, 2021	**14,17,83,304**	**2,837**
Exercise of share options - refer note (1) below	8,25,563	17
As at March 31, 2022	**14,26,08,867**	**2,854**
Exercise of share options - refer note (1) below	5,79,688	12
As at March 31, 2023	**14,31,88,555**	**2,866**

(1) During the year ended March 31, 2023, Employee Benefit Trust (EBT) issued 5,79,688 (March 31, 2022 - 8,25,563) equity shares to the employees upon exercise of employee stock options.

(2) The outstanding equity shares as at April 01, 2021, March 31, 20222 and March 31, 2023 are presented net of treasury shares.

(iii) Terms/ Rights Attached to Equity Shares

The Company has a single class of equity share of par value ₹ 2 each. Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company.

In the event of liquidation of the Company, the holders of equity shares, will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts.

(iv) Details of Shareholders Holding more than 5% shares in the Company:

	March 31, 2023		March 31, 2022	
	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of ₹ 2 each fully paid				
Mr. Ashok Soota (Promoter)	6,00,75,393	41.96%	6,00,68,668	42.12%
Ashok Soota Medical Research LLP	1,79,48,784	12.54%	1,79,48,784	12.59%

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

(v) The Company has not issued any bonus shares or shares for consideration other than cash during the period of five years immediately preceding the reporting date.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

(vi) Details of Shares Held by Promoters

As at March 31, 2023

	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	6,00,68,668	6,725	6,00,75,393	41.96%	0.01%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.54%	0.00%

As at March 31, 2022

	Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	6,00,61,701	6,967	6,00,68,668	42.12%	0.01%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.59%	0.00%

(vii) Treasury Shares

	Numbers
As at April 1, 2021	**50,80,252**
Issue for cash on exercise of share options	(8,25,563)
As at March 31, 2022	**42,54,689**
Issue for cash on exercise of share options	(5,79,688)
As at March 31, 2023	**36,75,001**

For the terms/rights attached to treasury shares refer note 16 (iii) above

17 Other Equity

	March 31, 2023	March 31, 2022
Securities premium account	41,556	41,205
Retained earnings	38,240	22,388
Cash flow hedge reserve	(330)	142
Share options outstanding reserve	266	385
	79,732	**64,120**
a) Securities premium account		
Opening balance	41,205	40,454
Transaction costs, net of recovery or reimbursement of expense on issue of shares	-	327
Exercise of share option by employees	135	154
Transferred from ESOP reserve for options exercised	216	270
Closing balance	**41,556**	**41,205**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2023	March 31, 2022
b) Retained earnings		
Opening balance	22,388	10,637
Profit for the year	21,638	18,648
Other comprehensive income recognised directly in retained earnings	(94)	(73)
Dividend - refer note 18	(5,715)	(6,830)
Transferred from share option outstanding reserve for options forfeited	23	6
Closing balance	**38,240**	**22,388**
c) Cash flow hedge reserve		
Opening balance	142	378
Net movement on effective portion of cash flow hedges - refer note 36 (B)	(472)	(236)
Closing balance	**(330)**	**142**
d) Share options outstanding reserve		
Opening balance	385	361
Share based payment expense - refer note 42	120	300
Transferred to retained earnings for options forfeited	(23)	(6)
Transferred to securities premium for options exercised	(216)	(270)
Closing balance	**266**	**385**

(i) Nature and Purpose of Other Reserves

a) Securities Premium Account :

Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

b) Retained Earnings :

Retained earnings comprises of prior years and current year's undistributed earnings/accumulated losses after tax.

c) Cash Flow Hedge Reserve :

The Company uses foreign currency forward contracts to hedge the highly probable forecasted transaction and interest rate swaps to hedge the interest rate risk associated with foreign currency term loan. The effective portion of fair value gain/loss of the hedge instrument is recognised in the cash flow hedge reserve. Amounts recognised in the cash flow hedge reserve is reclassified to the Statement of Profit and Loss when the hedged item affects profit or loss.

d) Share Options Outstanding Reserve :

The share based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee Stock Option Plan.

18 Distribution Made

	March 31, 2023	March 31, 2022
Dividends on equity shares declared and paid :		
Final dividend paid for the year ended on March 31, 2022 : 2/- per share (March 31, 2021 : ₹ 3/- per share)	2,856	4,311
Interim dividend for the year ended on March 31, 2023 : ₹ 2/- per share (March 31, 2022 : 1.75/- per share)	2,859	2,519
	5,715	**6,830**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

19 Borrowings

Carried at Amortized cost

	March 31, 2023	March 31, 2022
Non current		
Secured		
Term loan from bank		
Foreign currency term loan - refer note (a) below	1,870	3,793
Rupee term loan - refer note (b) below	11,986	-
	13,856	**3,793**
Less: Current maturities of foreign currency term loan	(1,870)	(2,069)
Less: Current maturities of rupee term loan	(708)	-
Total non-current borrowings	**11,278**	**1,724**
Current		
Secured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (d)	18,980	15,271
Bank overdraft - refer note (f) below	7,119	-
Unsecured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (e)	2,300	-
Redeemable non-convertible debentures - refer note (c) below	4,500	-
Loan from subsidiary - refer note 38	900	-
Current maturities of term loans		
Foreign currency term loan from bank - refer note (a) below	1,870	2,069
Rupee term loan from bank - refer note (b) below	708	
Total current borrowings	**36,377**	**17,340**

Notes

(a) Foreign currency term loan of ₹ 6,025 lakhs (USD 8.25 million) from Federal bank carries a fixed interest rate of 3.2% per annum (March 31, 2022 : 3.2% per annum). The loan is repayable in 36 equal monthly instalments commencing from February 28, 2021 and will mature on Feb 28, 2024. The loan is secured by the way of exclusive charge on movable fixed assets of the Company (excluding leased asset charged to Hewlett Packard) and also by lien on fixed deposit equivalent to two months instalments plus interest (refer note 14). The loan was raised exclusively for funding the acquisition of Happiest Minds Inc. (formerly known as PGS Inc.).

(b) Rupee term loan of ₹ 12,430 lakhs from Federal bank carries an effective interest rate of 7.9% per annum (March 31, 2022 : Nil). The loan is repayable in 120 monthly installment commencing from August 15, 2022 and will mature on July 15, 2032. The proceeds from the loan was utilized for the acquisition of land and building at SJR Equinox in Bengaluru. The loan is secured by way of exclusive charge on such land and building together with all the fixed assets in the building and lien on fixed deposits equivalent to three months instalments plus interest (refer note 8).

The Company has entered into an Cross currency interest rate swap with respect to aforementioned loan over the tenure wherein it will pay USD 15.6 million at an effective interest rate of 4.21% per annum and receive ₹ 12,430 lakhs at an interest rate of 7.9% per annum.

(c) 4,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 4,500 lakhs were issued during the year on a private placement basis carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of allotment. The NCDs were allotted on March 27, 2023 and will mature on March 27, 2026. The proceeds from NCDs will be utilised for general corporate purpose. The investor and the issuer has the option to put or call for the redemption of debenture at face value on the coupon payment date falling on the expiry of one year or two years from the deemed date of allotment (i.e. March 23, 2023). Consequently, the NCDs are disclosed under current borrowings.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

(d) PCFC loan taken from Kotak Mahindra carries an interest rate ranging 4.91% to 5.51% p.a. (March 31, 2022 - 1.2% p.a.) and is repayable within 90-120 days.

PCFC loan taken from RBL bank carries an interest rate ranging 5.68% to 5.88% p.a. (March 31, 2022 - 1.28% to 1.32% p.a.) and is repayable within 90 days.

PCFC loan taken from Federal bank carries an interest rate of 5.55% to 5.66% p.a. (March 31, 2022 - 1.10% to 1.39% p.a.) and is repayable within 90 days.

PCFC loan taken from ICICI bank carries an interest rate of 5.89% to 5.96% p.a. (March 31, 2022 - 1.15% to 1.45% p.a.) and is repayable within 90 days.

PCFC from RBL is secured by the way of lien on fixed deposit of ₹ 200 lakhs and by pari-passu charge on current assets of the Company. Refer note 15. All other PCFC are fully secured by the way of pari-passu charge on current assets of the Company.

(e) PCFC loan taken from Axis bank is unsecured, carries an interest rate of 5.98% p.a. (March 31, 2022 - Nil) and is repayable within 90 days.

(f) Overdraft facility from SBI bank amount to ₹ 15,000 lakhs carries an interest rate of 7.95% p.a. (March 31, 2022 - Nil) and is repayable on demand. Amount utilised as at March 31, 2023 is ₹ 7,119 lakhs (March 31, 2022 - Nil). Overdraft facility is fully secured by the way of lien on fixed deposit of ₹ 15,000 lakhs. Refer note 15.

(g) PCFC loan from RBL bank, Federal bank, Kotak Mahindra, NCDs and Rupee term loan from Federal bank contains covenants pertaining to current ratio, interest coverage ratio, EBIDTA to interest ratio, total outstanding liability to adjusted tangible net worth ratio, total debt to EBIDTA, Debt service coverage ratio. The Company has satisfied all the debt covenants prescribed in the terms of the borrowings. Other borrowings doesn't have any debt covenants. The Company has not defaulted in any of the loans payable. Quarterly statements of current assets filed by the Company with banks in respect of the PCFC facilities are in agreement with the books of accounts.

The table below details change in the Company's liabilities arising from financing activities, including both cash and non-cash changes

	Non-current borrowings #	Current borrowings ##
As at April 01, 2021	5,658	10,972
Financing cash flows (net)	(2,053)	4,012
Non cash movements:		
Amortisation of transaction cost	15	-
Foreign exchange difference	173	287
As at March 31, 2022	**3,793**	**15,271**
Financing cash flows (net)	9,774	10,121
Non cash movements:		
Amortisation of transaction cost	18	-
Foreign exchange difference	271	1,288
As at March 31, 2023	**13,856**	**26,680**

Current maturities of term loans are included in the Non-current borrowings

Current borrowing movement doesn't includes bank overdraft which forms part of cash and cash equivalent for the purpose of Cash flow statement.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

20 Lease Liabilities

Carried at Amortised Cost

	March 31, 2023	March 31, 2022
Non current		
Lease liabilities	6,620	5,911
	6,620	**5,911**
Less: Current maturities of lease liabilities	(1,859)	(1,792)
Total non-current lease liabilities	**4,761**	**4,119**
Current		
Lease liabilities	1,859	1,792
Total current lease liabilities	**1,859**	**1,792**

(i) **Movement in lease liabilities for year ended March 31, 2023 and March 31, 2022:**

	March 31, 2023	March 31, 2022
Balance at beginning of the year	5,911	2,645
Additions	4,209	5,291
Finance cost incurred during the period - refer note 30	544	487
Disposal	(1,431)	-
Payment of lease liabilities	(2,548)	(2,189)
Rent concession - refer note 27	(71)	(323)
Exchange difference	6	-
Balance at the end of the year	**6,620**	**5,911**

(ii) **The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022**

	March 31, 2023	March 31, 2022
Less than one year	2,364	2,264
one to five years	5,374	4,769
more than five years	-	-

(iii) The Company had total cash outflow of ₹ 2,548 lakhs during the year ended March 31, 2023 (March 31, 2022 - ₹ 2,189 lakhs) for leases recognized in balance sheet. The Company has made a non-cash addition to lease liabilities of ₹ 4,209 lakhs during the year ended March 31, 2023 (March 31, 2022 - ₹ 5,291 lakhs).

21 Other Financial Liabilities

	March 31, 2023	March 31, 2022
Non-current		
Carried at fair value through profit or loss		
Contingent consideration - refer note 35 (iv) and 35 (v)	1,292	-
	1,292	**-**
Carried at fair value through other comprehensive income		
Cash flow hedges		
Cross currency interest rate swap - refer note 36 (B)	704	-
	704	**-**
Total non - current financial liabilities	**1,996**	**-**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2023	March 31, 2022
Current		
Carried at amortised cost		
Employee related liabilities	3,598	4,254
Unpaid dividend	13	7
Capital creditors	386	-
Accrued interest payable#	10	-
	4,007	**4,261**
Carried at fair value through profit or loss		
Contingent consideration - refer note 35 (iv) and 35 (v)	1,316	-
	1,316	**-**
Carried at fair value through other comprehensive income		
Cash flow hedges		
Foreign currency forward contracts - refer note 36 (B)	267	60
	267	**60**
Total other current financial liabilities	**5,590**	**4,321**

Includes ₹ 4 lakhs payable to related party. Refer note 38.

22 Provisions

	March 31, 2023	March 31, 2022
Non-current		
Provision for gratuity - refer note 34	2,179	1,858
	2,179	**1,858**
Current		
Provision for compensated absences	1,728	1,432
Other provisions		
Provision for warranty	29	26
	1,757	**1,458**

Movement during the year - Provision for warranty	
Balance as at April 01, 2021	**25**
Arising during the year	1
Utilised/ reversed during the year	-
Balance as at March 31, 2022	**26**
Arising during the year	-
Utilised/ reversed during the year	-
Exchange (gain)/ loss	3
Balance as at March 31, 2023	**29**

23 Contract Liabilities

	March 31, 2023	March 31, 2022
Unearned revenue - refer note (i) below	759	972
	759	**972**

(i) The Company has rendered the service and have recognised the revenue of ₹ 972 lakhs (March 31, 2022: ₹ 354 lakhs) during the year from the unearned revenue balance at the beginning of the year.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

24 Trade Payables

Carried at amortised cost

	March 31, 2023	March 31, 2022
Total outstanding dues of Micro enterprises and Small enterprises - refer note (iii) below	83	79
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	6,160	5,215
	6,243	**5,294**

Trade payables Ageing Schedule

As at March 31, 2023	Outstanding for the following periods from the due date of payment				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	83	-	-	-	83
Total outstanding dues of creditors other than micro enterprises and small enterprises	758	-	12	-	770
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Provision for expenses	-	-	-	-	5,390
	841	**-**	**12**	**-**	**6,243**

As at March 31, 2022	Outstanding for the following periods from the due date of payment				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	79	-	-	-	79
Total outstanding dues of creditors other than micro enterprises and small enterprises	802	13	1	20	836
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Provision for expenses	-	-	-	-	4,379
	881	**13**	**1**	**20**	**5,294**

Terms and conditions of above trade payables:

(i) Trade payables are non-interest bearing and are normally settled on 0 to 90 days terms

(ii) For explanation of company's liquidity risk - refer note 36 (D)

(iii) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 - refer below note

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006

Particulars	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	83	79
Interest due on the above	3	-
(i) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(ii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	3	-
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	3	-

25 Other Liabilities

	March 31, 2023	March 31, 2022
Current		
Statutory dues payable	2,118	2,223
Other payables	125	204
	2,243	**2,427**

26 Revenue from Contract with Customers

	For the year ended	
	March 31, 2023	March 31, 2022
Sale of service	1,32,931	1,03,303
Sale of licenses (net)	324	51
	1,33,255	**1,03,354**

26.1 Disaggregated Revenue Information

Segment	For the year ended March 31, 2023			
	Infrastructure Management & Security Services	Digital Business Services	Product Engineering Services	Total
Revenue from contract with customers	30,183	35,961	67,111	1,33,255
Total revenue from contracts with customers	**30,183**	**35,961**	**67,111**	**1,33,255**
India	10,941	4,927	7,168	23,036
Outside India	19,242	31,034	59,943	1,10,219
Total revenue from contracts with customers	**30,183**	**35,961**	**67,111**	**1,33,255**
Timing of revenue recognition				
Licenses transferred at a point in time	316	1	7	324
Fixed price project - services transferred over time	13,712	15,431	3,940	33,083
Time and material - services transferred over time	16,155	20,529	63,164	99,848
Total revenue from contracts with customers	**30,183**	**35,961**	**67,111**	**1,33,255**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment	For the year ended March 31, 2022			
	Infrastructure Management & Security Services	Digital Business Services	Product Engineering Services	Total
Revenue from contract with customers	24,046	26,998	52,310	1,03,354
Total revenue from contracts with customers	**24,046**	**26,998**	**52,310**	**1,03,354**
India	8,821	4,185	3,674	16,680
Outside India	15,225	22,813	48,636	86,674
Total revenue from contracts with customers	**24,046**	**26,998**	**52,310**	**1,03,354**
Timing of revenue recognition				
Licenses transferred at a point in time	22	28	-	50
Fixed price project - services transferred over time	11,355	11,451	3,906	26,712
Time and material - services transferred over time	12,669	15,519	48,404	76,592
Total revenue from contracts with customers	**24,046**	**26,998**	**52,310**	**1,03,354**

26.2 Contract Balances

	For the year ended	
	March 31, 2023	March 31, 2022
Trade receivables	19,885	16,127
Unbilled revenue	10,080	8,249
Contract assets	1,429	1,833
Contract liability	759	972

26.3 Reconciling the Amount of Revenue recognised in the Statement of Profit and Loss with the contracted price

	For the year ended	
	March 31, 2023	March 31, 2022
Revenue as per contract price	1,33,723	1,04,000
Discount	(468)	(646)
Revenue from contract with customers	**1,33,255**	**1,03,354**

The Company has applied practical expedient as given in Ind AS 115 for not disclosing the remaining performance obligation for contracts that have original expected duration of one year or lesser. The Company has fixed price contracts for a period of more than one year, the remaining performance obligation for these contracts is ₹ 4,953 lakhs (March 31, 2022: ₹ 8,488 lakhs). The revenue for remaining performance obligation is expected to be recognised over period of 1-3 years (March 31, 2022: 1-3 years).

27 Other Income

	For the year ended	
	March 31, 2023	March 31, 2022
Interest income on:		
Deposits with bank	2,557	507
Loan to subsidiary - refer note 38	126	31
Income tax refund	-	46
Financial instrument measured at amortised cost	42	83
	2,725	**667**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2023	March 31, 2022
Fair value gain on investment measured at FVTPL	-	1,377
Gain on sale of investments measured at FVTPL	803	368
Exchange gain/ (loss)	(1,423)	788
Gain on property, plant and equipment sold / scrapped, net	-	10
Rent concession - refer note (i) below	71	323
Insurance claim - refer note (iii) below	-	200
Miscellaneous income	58	38
	(491)	**3,104**
	2,234	**3,771**

(i) During the year ended March 31, 2023 and March 31, 2022, there is a rent concession allowed as a direct consequence of the Covid-19 pandemic. Rent concession has resulted in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change. Reduction in lease payments affect only payments originally due on or before the June 30, 2022 (revised from earlier period of June 30,2021) and there is no substantive change to other terms and conditions of the lease. As a practical expedient, the Company has elected not to assess rent concession as a lease modification. The Company has accounted the change in lease payments resulting from rent concession in the same way as it would account for the change under Ind AS 116, if the change were not a lease modification.

(ii) An American national and an ex-employee on September 9, 2019 had filed a class-action complaint against the Parent Company before the United States District Court, Northern District of California, San Jose Division, alleging that the Parent Company engaged in discriminatory employment practices. During the adjudication process, the Court felt that the matter could be resolved through mediation and directed the parties to go in for an mediation/ settlement. The parties concluded a settlement of ₹ 200 lakhs during year ended March 2021. During the year ended March 31, 2022, the Company received reimbursements from the insurance company covering settlement and related expenses amounting to ₹ 200 lakhs which has been presented under 'Other Income'.

28 Employee Benefits Expense

	For the year ended	
	March 31, 2023	March 31, 2022
Salaries, wages and bonus	73,043	56,841
Contribution to provident and other funds	3,738	2,808
Employee stock compensation expense - refer note 41	120	300
Gratuity expense - refer note 34	552	518
Compensated absences	835	607
Staff welfare expenses	402	136
	78,690	**61,210**

29 Depreciation and Amortisation Expense

	For the year ended	
	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment - refer note 3	230	71
Amortisation of intangible assets - refer note 4	240	105
Depreciation of right-of-use assets - refer note 5	2,526	2,247
	2,996	**2,423**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

30 Finance Costs

	For the year ended	
	March 31, 2023	March 31, 2022
Interest expense on:		
Borrowings	1,547	343
Non convertible debenture	10	-
Loan from Subsidiary - refer note 38	4	-
Lease liabilities- refer note 20	544	487
Unwinding of interest in contingent consideration - refer note 35	45	-
	2,150	**830**

31 Other Expenses

	For the year ended	
	March 31, 2023	March 31, 2022
Power and fuel	435	204
Subcontractor charges	11,645	10,754
Repairs and maintenance		
- Buildings	185	107
- Equipments	45	24
- Others	353	245
Rent expenses - refer note (ii) below	307	237
Advertising and business promotion expenses	385	111
Commission	34	99
Communication costs	227	271
Insurance	106	48
Legal and professional fees	525	458
Audit fees - refer note (i) below	88	67
Software license cost	3,838	2,150
Rates and taxes	43	96
Recruitment charges	908	881
Sitting fees to non-executive directors - refer note 38	43	54
Commission to non-executive directors - refer note 38	37	26
Corporate social responsibility ('CSR') expenditure - refer note 39	333	215
Impairment loss allowance on trade receivables	(58)	-41
Impairment loss allowance on unbilled revenue	58	74
Travelling and conveyance	2,352	892
Postage and courier	85	94
Training expense	379	248
Miscellaneous expenses	132	263
	22,485	**17,577**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Payment to auditors:

	For the year ended	
	March 31, 2023	March 31, 2022
As auditor:		
Audit fee	85	65
In other capacity		
Certification fees	-	-
Reimbursement of expenses	3	2
	88	**67**

32 Income Tax Expense

	For the year ended	
	March 31, 2023	March 31, 2022
a) Statement of profit or loss		
Current tax	7,889	6,004
Deferred tax credit	(359)	433
Income tax expense	**7,530**	**6,437**
b) Statement of other comprehensive income		
On net movement on effective portion of cash flow hedges	159	80
On re-measurement losses on defined benefit plans	31	24
	190	**104**
Reconciliation of tax expense and tax based on accounting profit:		
Profit before income tax expense	29,168	25,085
Tax at the Indian tax rate of 25.17% (March 31, 2022: 25.17%)	7,342	6,314
Tax effect of:		
Expenses not deductible	95	54
Others	93	69
Income tax expense	**7,530**	**6,437**

33 Earnings per Share ['EPS']

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended	
	March 31, 2023	March 31, 2022
Profit after tax attributable to equity holders of the Company (a) (₹ in lakhs)	21,638	18,648
Weighted average number of shares outstanding during the year for basic EPS (b)	14,31,81,324	14,11,64,508
Weighted average number of shares outstanding during the year for diluted EPS (c)	14,42,60,047	14,44,10,568
Basic earnings per share (in ₹) (a/b)	15.11	13.21
Diluted earnings per share (in ₹) (a/c)	15.00	12.91
Equity share reconciliation for EPS		
Equity share outstanding	14,31,81,324	14,11,64,508
Total considered for basic EPS	**14,31,81,324**	**14,11,64,508**
Add: ESOP options	10,78,723	32,46,060
Total considered for diluted EPS	**14,42,60,047**	**14,44,10,568**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

34 Employee benefits plan

(i) Defined contribution plans - Provident Fund and others

The Company makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Company recognised ₹ 3,738 lakhs (March 31, 2022 : ₹ 2,808 lakhs) towards defined contribution plans.

(ii) Defined Benefit Plans (Funded):

The Company provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. 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 employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Company is funded with qualifying Insurance Company.

Gratuity is a defined benefit plan and Company is exposed to the following risks:

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Longevity risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company.

	March 31, 2023	March 31, 2022
Current	-	-
Non-current	2,179	1,858
	2,179	**1,858**

The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2023:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2022	**2,430**	**572**	**1,858**
Current service cost	446	-	446
Net interest expense	138	32	106
Total amount recognised in statement of profit and loss	**584**	**32**	**552**
Benefits paid	(246)	(246)	-
Remeasurement			
Return on plan assets	-	(5)	5
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(155)	-	(155)
Experience adjustments	274	-	274
Total amount recognised in other comprehensive income	**119**	**(5)**	**124**
Contributions by employer	-	355	(355)
As at March 31, 2023	**2,887**	**708**	**2,179**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2022:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2021	**1,997**	**104**	**1,893**
Current service cost	413	-	413
Net interest expense	111	6	105
Total amount recognised in statement of profit and loss	**524**	**6**	**518**
Benefits paid	(188)	(188)	-
Remeasurement			
Return on plan assets	-	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(138)	-	(138)
Actuarial (gains)/losses arising from changes in financial assumptions	(21)	-	(21)
Experience adjustments	256	-	256
Total amount recognised in other comprehensive income	**97**	**-**	**97**
Contributions by employer	-	650	(650)
As at March 31, 2022	**2,430**	**572**	**1,858**

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2023	March 31, 2022
Insurance fund	708	572
Total	**708**	**572**

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

	March 31, 2023	March 31, 2022
Discount rate	7.29%	5.66%
Expected return on plan assets	7.29%	5.66%
Future salary increases	8.00%	8.00 %
Employee turnover	25.00%	25.00%
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

A quantitative sensitivity analysis for significant assumptions are as shown below:

	Sensitivity Level	March 31, 2023		March 31, 2022	
		Defined benefit obligation on increase/decrease in assumptions			
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase / decrease	(86)	93	(76)	83
Future salary increase	1% increase / decrease	90	(86)	79	(75)
Attrition rate	1% increase / decrease	(19)	19	(20)	21

The above sensitivity analyses are based on a change in an 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 the 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

The following payments are expected cash flows to the defined benefit plan in future years:

Expected contributions to defined benefits plan for the year ended March 31, 2023 is ₹ 240 lakhs (March 31, 2022 : ₹ 240 lakhs). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2022: 4 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2023	March 31, 2022
Within the next 12 months	610	511
Between 2 and 5 years	1736	1,381
Between 6 and 10 years	983	760
Beyond 10 years	443	351

35 Fair Value Measurement

i) The Carrying Value of Financial Assets by Categories is as follows:

	March 31, 2023	March 31, 2022
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	166	249
Cross currency interest rate swap	363	-
Total financial assets measured at FVOCI	**529**	**249**
Measured at fair value through statement of profit and loss (FVTPL)		
Investment in mutual funds	-	46,400
Total financial assets measured at FVTPL	**-**	**46,400**
Measured at amortised cost		
Investment in subsidiary	19,719	6,025
Security deposits	684	728
Loans to employees	64	4
Loans to related parties	2,465	2,274
Other financial assets	20,037	9,805
Trade receivables	19,885	16,127
Bank and bank balance other than cash and cash equivalents	61,441	10,071
Cash and cash equivalents	5,966	5,601
Total financial assets measured at amortised cost	**1,30,261**	**50,635**
Total financial assets	**1,30,790**	**97,284**

ii) The Carrying Value of Financial Liabilities by Categories is as follows:

	March 31, 2023	March 31, 2022
Measured at fair value through statement of profit and loss (FVTPL)		
Contingent consideration	2,608	-
Total financial liabilities measured at FVTPL	**2,608**	**-**
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	267	60
Cross currency interest rate swap	704	-
Total financial liabilities measured at FVOCI	**971**	**60**
Measured at amortised cost		
Foreign currency term loan	13,856	3,793
Redeemable non-convertible debentures	4,500	-
Foreign currency loan (PCFC)	21,280	15,271

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2023	March 31, 2022
Loan from subsidiary	900	-
Bank Overdraft	7,119	-
Lease liabilities	6,620	5,911
Trade payables	6,243	5,294
Other financial liabilities	4,007	4,261
Total financial liabilities measured at amortised cost	**64,525**	**34,530**
Total financial liabilities	**68,104**	**34,590**

iii) Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2023			
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	166	-	166
Cross currency interest rate swap	-	363	-	363
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	-	-	-	-
Total financial asset measured at fair value	**-**	**529**	**-**	**529**
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	267	-	267
Cross currency interest rate swap	-	704	-	704
Measured at fair value through statement of profit and loss (FVTPL)				
Contingent consideration	-	-	2,608	2,608
Total financial liabilities measured at Fair value	**-**	**971**	**2,608**	**3,579**

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2022			
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	249	-	249
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	46,400	-	-	46,400
Total financial asset measured at fair value	**46,400**	**249**	**-**	**46,649**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2022			
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	60	-	60
Total financial liabilities measured at Fair value	**-**	**60**	**-**	**60**

Notes:

The fair value of the financial assets and liabilities are measured at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair value of liquid mutual funds is based on the net assets value (NAV) as declared by the fund house.

b) The Company has entered into foreign currency forward contract and Cross currency interest rate swap (CCIRS) to hedge the highly probable forecast transactions. The derivative financial instrument is entered with the financial institutions with investment grade ratings. Foreign exchange forward contracts and CCIRS are valued based on valuation models which include use of market observable inputs. The mark to market valuation is provided by the financial institution as at reporting date. The valuation of derivative contracts are categorised as level 2 in fair value hierarchy disclosure.

c) The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets (current), other financial liability (current), bank overdraft and cash credit, lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments. Further the management also estimates that the carrying amount of foreign currency term loan at fixed interest rates are the reasonable approximation of their fair value and the difference between carrying amount and their fair value is not significant.

d) The Company has valued contingent consideration by using the monte carlo simulation approach.

e) The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. The carrying amount of the remaining financial instruments are the reasonable approximation of their fair value.

For financial assets carried at fair value, their carrying amount are equal to their fair value.

iv) Valuation Inputs and Relationship to Fair Value

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2023		
Contingent consideration	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease contingent consideration by ₹ 97 lakhs and increase contingent consideration by ₹ 9 lakhs respectively.
	Discount rate	7.34%	Increase and decrease in discount rate by 1% would decrease contingent consideration by ₹ 36 lakhs and increase contingent consideration by ₹ 35 lakhs respectively.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

v) Reconciliation of Contingent Consideration Measured at FVTPL

	March 31, 2023	March 31, 2022
As at April 1	-	-
Acquisition of subsidiary	2,563	-
Amount recognised in profit and loss statement - refer note 30	45	-
Settlement during the year	-	-
As at March 31	**2,608**	**-**

36 Financial Risk Management

The Company's principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations. The Company also enters into derivative transactions for hedging purpose.

The Company's activities exposes it to market risk, liquidity risk and credit risk. The Company's risk management is carried out by the management under the policies approved by the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

i. Foreign Currency Risk

The Company's operates in various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company uses foreign currency forward contract and CCIRS governed by its board approved policy to mitigate its foreign currency risk that are expected to occur within the period for forecasted sales. The counterparty for these contracts is generally a reputed scheduled bank. The Company reports quarterly to a committee of the board, which monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of sale that is denominated in the foreign currency.

Hedge effectiveness is determined at inception and periodic prospective effectiveness testing is done to ensure the relationship exist between the hedged items and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedge items.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

a) The Company's exposure in foreign currency at the end of reporting period :

Currency	Particulars	March 31, 2023		March 31, 2022	
		FC	₹	FC	₹
USD	**Financial assets**				
	Trade receivables	183	14,997	142	10,796
	Loans	32	2,627	30	2,277
	Other financial assets	106	8,683	87	6,602
	Bank accounts	39	3,198	46	3,506
	Net exposure on foreign currency risk (assets)	**360**	**29,505**	**305**	**23,181**
	Financial liability				
	Borrowings	282	23,163	252	19,092
	Trade payables	30	2,479	7	530
	Other financial liabilities	6	502	20	1,553
	Other liabilities	5	378	9	667
	Net exposure on foreign currency risk (liabilities)	**323**	**26,522**	**288**	**21,842**
	Net exposure on foreign currency risk (assets-liabilities)	**37**	**2,983**	**17**	**1,339**

Currency	Particulars	March 31, 2023		March 31, 2022	
		FC	₹	FC	₹
EURO	**Financial assets**				
	Trade receivables	10	859	7	627
	Other financial assets	7	588	6	543
	Bank accounts	5	468	10	838
	Other assets	*	3		
	Net exposure on foreign currency risk (assets)	**22**	**1,918**	**23**	**2,008**
	Financial liability				
	Trade payables	*	*	1	52
	Other liabilities	1	63	*	13
	Net exposure on foreign currency risk (liabilities)	**1**	**63**	**1**	**65**
	Net exposure on foreign currency risk (assets-liabilities)	**21**	**1,855**	**22**	**1,943**
GBP	**Financial assets**				
	Trade receivables	6	598	6	568
	Loans	-	-	*	7
	Other financial assets	3	354	5	452
	Bank accounts	2	208	4	422
	Other assets	*	16	-	-
	Net exposure on foreign currency risk (assets)	**11**	**1,176**	**15**	**1,449**
	Financial liability				
	Trade payables	2	162	-	-
	Other financial liabilities	2	212	4	360
	Other liabilities	1	112	1	121
	Net exposure on foreign currency risk (liabilities)	**5**	**486**	**5**	**481**
	Net exposure on foreign currency risk (assets-liabilities)	**6**	**690**	**10**	**968**

The Group enters into derivative financial instruments such as foreign currency forward contracts and Cross currency interest rate swaps to mitigate the risk of changes in exchange rates. Details of the derivative contracts held by the Group are included in Note 36(B).

* Represents number below rounding off norms of the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

b) The sensitivity of profit or loss to changes in foreign exchange rates arising mainly from foreign currency denominated financial instrument:

	Impact on profit before tax	
	March 31, 2023	March 31, 2022
USD sensitivity		
₹/ USD increases by 5%	149	67
₹/ USD decreases by 5%	(149)	(67)
EURO sensitivity		
₹/ EURO increases by 5%	93	97
₹/ EURO decreases by 5%	(93)	(97)
GBP sensitivity		
₹/ GBP increases by 5%	35	48
₹/ GBP decreases by 5%	(35)	(48)

* Sensitivity is calculated holding all other variables constant

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Redeemable Non-convertible debenture (NCD)s with floating interest rates'. The Company was not exposed to interest rate risk as at March 31, 2022 since all its financial assets or liabilities were either non-interest bearing or are at fixed interest rate and are carried at amortised cost.

Sensitivity:

The impact of change in interest rate by +/- 50 basis point have an immaterial impact on the profit before tax of the Company. Hence, the sensitivity has not been disclosed.

iii. Price Risk

The Company is not exposed to Price risk as at March 31, 2023. During the year ended March 31, 2022, the company exposure to price risk arises for investment in mutual funds held by the company. To manage its price risk arising from investments in mutual funds, the Company diversified its portfolio.

Sensitivity:

The sensitivity of profit or loss to change in Net assets value (NAV) as at year end for investment in mutual funds.

	Impact on profit before tax	
	March 31, 2023	March 31, 2022
NAV increases by 5%	-	2,320
NAV decreases by 5%	-	(2,320)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

B) Impact of Hedge activities

(i) The following provides the details of hedging instrument and its impact on balance sheet

	March 31, 2023					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Line item in the balance sheet	Fair value* gain/(loss)
Cash flow hedge of Foreign currency risk (for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	₹/USD	520	43,094	Other financial assets/(liabilities)	(29)
- Foreign currency forward contracts	< 1 year	₹/EURO	25	2,209	Other financial assets/(liabilities)	(72)
- Cross currency interest rate swaps	<1 year	₹/USD	9	713	Other financial assets/(liabilities)	(341)
	1-5 year	₹/USD	52	4,167	Other financial assets/(liabilities)	
	> 5year	₹/USD	90	7,150	Other financial assets/(liabilities)	

* represents the impact of mark to market value at year end.

	March 31, 2022					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Line item in the balance sheet	Fair value* gain/(loss)
Cash flow hedge Foreign currency risk (for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	₹/USD	505	38,970	Other financial assets/(liabilities)	154
- Foreign currency forward contracts	< 1 year	₹/EURO	9	811	Other financial assets/(liabilities)	35

* represents the impact of mark to market value at year end.

(ii) The effect of cash flow hedge in hedge reserve and statement of profit and loss:

	Foreign currency forward contracts	Cross currency interest rate swaps	Total
Balance as at April 01, 2021	**378**	**-**	**378**
Hedge gain/(loss) recognised in OCI	189	-	189
Amount reclassified from OCI to statement of profit and loss	(505)	-	(505)
Income tax effect	80	-	80
Balance as at March 31, 2022	**142**	**-**	**142**
Hedge gain/(loss) recognised in OCI	(101)	(341)	(442)
Amount reclassified from OCI to statement of profit and loss	(189)	-	(189)
Income tax effect	73	86	159
Balance as at March 31, 2023	**(75)**	**(255)**	**(330)**

Amounts reclassified from the OCI is recognised in foreign exchange gain or loss in Statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

C) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, unbilled revenue and contract assets) and from its investing activities and from investing activities (primarily deposits with banks).

Revenue from one customer comprises around 14% of the total revenue of the Company. The remaining revenue of the Company is spread across wide range of customers. For receivables turnover ratio, refer note 42.

(i) Trade Receivables, Unbilled Revenue and Contract Assets.

Trade receivables, unbilled revenue and contract assets are typically unsecured and derived from revenue from contracts with customers. Customer credit risks is managed by each business units subject to Company's policy and procedures which involves continuously monitoring the credit worthiness of customers to which the Company grants credits in the normal course of business. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses at each reporting date, right from initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers. Ageing of trade receivables and the provision in books for trade receivables:

	Not due	1-180 days	181-365 days	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023							
Trade receivables	13,962	5,815	312	291	14	15	**20,409**
Unbilled receivables							**11,773**
Allowance for expected credit loss							**(788)**
Net Trade receivables	**13,962**	**5,815**	**312**	**291**	**14**	**15**	**31,394**
As at March 31, 2022							
Trade receivables	12,788	3,625	385	337	93	123	17,351
Unbilled receivables							10,288
Allowance for expected credit loss							(1,430)
Total	**12,788**	**3,625**	**385**	**337**	**93**	**123**	**26,209**

Reconciliation of loss allowance - trade receivables	March 31, 2023	March 31, 2022
Opening balance as at April, 1	(1,224)	(1,265)
Allowance made during the year (net) - refer note 31	58	41
Utilised during the year	656	-
Exchange gain/ (loss)	(14)	-
Closing balance as at March, 31	**(524)**	**(1,224)**

Reconciliation of loss allowance - unbilled revenue and other financial assets	March 31, 2023	March 31, 2022
Opening balance as at April, 1	(207)	(133)
Allowance made during the year - refer note 31	(58)	(74)
Closing balance as at March, 31	**(265)**	**(207)**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Other Financial Assets and Cash Deposit

Credit risk from balances with the banks, loans, investments in mutual funds and other financial assets are managed by the company based on the company policy and is managed by the Company's Treasury Team. Investment of surplus fund is made only with approved counterparties. The Company's maximum exposure to credit risk is the carrying amount of such assets as disclosed in note 37 above.

D) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective it to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its position and maintains adequate source of financing.

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2023	March 31, 2022
RBL Bank Limited	105	2,233
Kotak Mahindra Bank Limited	241	725
HDFC Bank Limited	-	1,000
Federal Bank Limited	35	37
ICICI Bank Limited	1,139	2,234
Axis Bank Ltd	199	-
State Bank of India	7,881	-
	9,600	**6,229**

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

	On demand	Less than 1 year	More than 1 year	Total
As at March 31, 2023				
Borrowings (including current maturities)	7,119	29,271	11,322	47,712
Lease liabilities	-	2,364	5,374	7,738
Trade payables	-	6,243	-	6,243
Contingent consideration	-	1,394	1,471	2,865
Foreign currency forward contracts	-	267	704	971
Other current financial liabilities #	-	5,588	4,294	9,882
	7,119	**45,127**	**23,165**	**75,411**
As at March 31, 2022				
Borrowings (including current maturities)	-	17,355	1,737	19,092
Lease liabilities	-	2,264	4,769	7,033
Trade payables	-	5,294	-	5,294
Foreign currency forward contracts	-	60	-	60
Other current financial liabilities #	-	4,385	26	4,411
	-	**29,358**	**6,532**	**35,890**

Includes future interest payable on outstanding borrowings

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

37 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The Company's gearing ratio, which is net debt divided by total capital plus net debt is as below:

	March 31, 2023	March 31, 2022
Borrowings (including current maturities)	47,655	19,064
Less : Cash and cash equivalents	(5,966)	(5,601)
Net (cash and cash equivalents)/debt (A)	**41,689**	**13,463**
Equity	82,598	66,974
Total equity capital (B)	**82,598**	**66,974**
Total debt and equity (C)=(A)+(B)	**1,24,287**	**80,437**
Gearing ratio (A)/(C)	**34%**	**17%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

38 Related Party Disclosure

(i) List of related parties and relationship

Key management personnel (KMP)	1. Mr. Ashok Soota (Executive Chairman)
	2. Mr. Venkatraman Narayanan (Managing Director and CFO)
	3. Mr. Joseph Vinod Anantharaju (Director)
	4. Mr. Praveen Darshankar (Company Secretary)
	5. Mrs. Anita Ramachandran (Independent director)
	6. Mr. Rajendra Kumar Srivastava (Independent director)
	7. Mrs. Shuba Rao Mayya (Independent director)
Wholly owned subsidiaries	Happiest Minds Inc. (formerly known as PGS Inc.)
	Sri Mookambika Infosolutions Private Limited
Relatives of KMP	1. Mr. Suresh Soota
	2. Mr. Deepak Soota
	3. Ms. Kunku Soota
	4. Mrs. Usha Samuel
	5. Mrs. Jayalakshmi Venkatraman
Entities under the control of KMP	SKAN Research Trust
	Happiest Health Systems Private Limited
	Ashok Soota Medical Research LLP
Post employment benefit plan (PEBP)	Happiest Minds Technologies Ltd. Employees group gratuity trust

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

a) The following table is the summary of significant transactions with related parties by the Company:

		March 31, 2023	March 31, 2022
(i)	**Sale of service**		
	Happiest Minds Inc.	4,890	3,634
	SKAN Research Trust	296	7
	Ashok Soota Medical Research LLP	42	5
	Happiest Health Systems Private Limited	811	68
(ii)	**Director's sitting fees:**		
	Mrs. Anita Ramachandran	16	22
	Mr. Rajendra Kumar Srivastava	9	11
	Mrs. Shuba Rao Mayya	18	21
(iii)	**Commission to directors**		
	Mrs. Anita Ramachandran	9	3
	Mr. Rajendra Kumar Srivastava	21	19
	Mrs. Shuba Rao Mayya	7	4
(iv)	**Contribution made to post employee benefit plan:**		
	Happiest Minds Technologies Ltd. Employees group gratuity trust	355	650
(v)	**Loans given**		
	Happiest Minds Inc.	-	2,231
(vi)	**Loans taken**		
	Sri Mookambika Infosolutions Private Limited	900	-
(vii)	**Interest income on Loans given**		
	Happiest Minds Inc.	126	31
(vii)	**Interest expense on Loans taken**		
	Sri Mookambika Infosolutions Private Limited	4	-
viii)	**Managerial remuneration# :**		
	Mr. Venkatraman Narayanan		
	Salary, wages and bonus	134	120
	Employee stock compensation expense	3	5
	Mr. Ashok Soota		
	Salary, wages and bonus	128	115
	Mr. Praveen Darshankar		
	Salary, wages and bonus	55	46
	Employee stock compensation expense	*	1
	Mr. Joseph Vinod Anantharaju		
	Salary, wages and bonus	389	330
	Employee stock compensation expense	4	8
ix)	**Reimbursement of expenses received:**		
	SKAN Research Trust	*	3
	Happiest Health Systems Private Limited	*	3
x)	**Dividend paid**		
	Mr. Joseph Vinod Anantharaju	17	20
	Mr. Ashok Soota	2,403	2,853
	Mr. Venkatraman Narayanan	20	24
	Ashok Soota Medical Research LLP	718	853
	Deepak Soota	2	2
	Suresh Soota	1	1
	Kunku Soota	1	2
	Usha Samuel	3	4
	Jayalakshmi Venkatraman	5	16
	Praveen Kumar Darshankar	2	3

As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.
* amount below rounding off norm of the Company.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

b) The balances receivable from and payable to related parties are as follows :

		March 31, 2023	March 31, 2022
(i)	**Trade receivables:**		
	Happiest Minds Inc.	1,554	1,600
	SKAN Research Trust	162	6
	Happiest Health Systems Private Limited	101	-
	Ashok Soota Medical Research LLP	5	-
(ii)	**Unbilled receivables:**		
	Happiest Minds Inc.	-	22
	SKAN Research Trust	*	-
	Ashok Soota Medical Research LLP	26	-
	Happiest Health Systems Private Limited	45	67
(iii)	**Loans given**		
	Happiest Minds Inc.	2,465	2,274
(iv)	**Loans taken**		
	Sri Mookambika Infosolutions Private Limited	900	-
(v)	**Accrued interest on Loans given**		
	Happiest Minds Inc.	162	31
(vi)	**Accrued interest on Loans taken**		
	Sri Mookambika Infosolutions Private Limited	4	-
(vii)	**Trade payables**		
	Mrs. Anita Ramachandran	9	3
	Mr. Rajendra Kumar Srivastava	21	19
	Mrs. Shuba Rao Mayya	7	4

* amount below rounding off norm of the Company.

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Loans of ₹ 738 (USD 1 mn) ₹ 1492 (USD 2 mn) given to Happiest Minds Inc. carries an interest rate of 4.93% p.a and 5.367% p.a. respectively and is repayable after 3 years. Loan from Sri Mookambika Infosolutions Private Limited of ₹ 900 carries an interest rate of 7.317% p.a. and repayable within 1 year. All other outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

39 Corporate Social Responsibility ('CSR') Expenditure

Details of CSR expenditure are as follows:

			March 31, 2023	March 31, 2022
(a)	Gross amount required to be spent by the Company during the year		322	205
(b)	Amount approved by the board to be spent during the year		333	215
(c)	Amount spent during the year ending on March 31, 2023 :	**In cash**	**Yet to be paid in cash**	**Total**
	i) Construction/ Acquisition of any asset	-	-	-
	ii) On purpose other than above	333	-	333
(d)	Amount spent during the year ending on March 31, 2022 :	**In cash**	**Yet to be paid in cash**	**Total**
	i) Construction/ Acquisition of any asset	-	-	-
	ii) On purpose other than above	215	-	215
(e)	Details related to spent/ unspent obligations:			
	i) Contribution to Public Trust		-	-
	ii) Contribution to Charitable Trust		333	215
	ii) Unspent amount in relation to:			
	- Ongoing project		-	-
	- Other than ongoing project		-	-
			333	**215**

Details of Ongoing Project and Other than Ongoing Project

In case of S. 135(6) (Ongoing Project)						
Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In Separate CSR unspent A/c		From Company's bank A/c	From separate CSR unspent A/c	With Company	In separate CSR unspent A/c
-	-	-	-	-	-	-

In case of S. 135(5) (Other than ongoing Project)				
Opening balance	Amount deposited in specified fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	322	333	-

In case of S. 135(5) Excess amount spent			
Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
(21)	322	333	(32)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

40 Commitments and Contingent Liabilities

i) Capital Commitments

	March 31, 2023	March 31, 2022
Capital commitments towards purchase of capital assets	904	638

ii) Other Claims Against the Company not provided for in the books

a) With respect to the License Agreement entered in June 2018 between the Company and a customer, for providing software services, the customer terminated the agreement claiming non-satisfactory delivery of services and damages of ₹ 623 lakhs. The customer has also initiated arbitration proceedings which is the Company is currently contesting and is of the view that no that claim is not tenable and accordingly no adjustments are made in the financial statements.

b) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Group has taken cognizance of the matter on a prospective basis from the date of the SC order. The Group will update its provision, if any, required, on receiving further clarity on the subject.

c) The Company is also subject to certain other claims and suits that arise from time to time in the ordinary conduct of its business. While the Company currently believes that such claims, individually or in aggregate, will not have a material adverse impact on its financial position, cash flows, or results of operations, the litigation and other claims are subject to inherent uncertainties, and management's view of these matters may change in the future. Were an unfavourable final outcome to occur in any one or more of these matters, there exists the possibility of a material adverse impact on the Company's business, reputation, financial condition, cash flows, and results of operations for the period in which the effect becomes reasonably estimable.

41 Share Based Payments

Employee Share Option Plan (ESOP)

The Company instituted the Employee Share Option Plan 2011 ("ESOP 2011") and Equity Incentive Plan 2011 ("EIP 2011") for eligible employees during the year ended March 2012 which was approved by the Board of Directors (Board) on October 18, 2011 and January 19, 2012 duly amended by the Board on January 22, 2015.

Besides the above plan, the Company has also instituted Employee Share Option Plan 2014 ("ESOP 2014") duly approved by the Board on October 20, 2014 and by the shareholders on January 22, 2015. The Company has also instituted Employee Share Option Plan 2015 ("ESOP 2015") duly approved by the Board on June 30, 2015 and by the shareholders on July 22, 2015. During year ended 2018, the Company has amended ESOP 2014 and all options granted under ESOP 2014 be deemed to be granted under ESOP 2011 duly approved by the Board on October 25, 2017. The plans are separate for USA employees (working out of the United States America - ""USA"") and employees working outside USA. The Company administers these plans.

On April 29, 2020 the Board of the Company approved Happiest Minds Employee Stock Option Scheme 2020 ("ESOP 2020") consisting of 70,00,000 equity shares. The Company will henceforth issue grants under the ESOP 2020 only.

The contractual term of each option granted is 5-8 years.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Key features of these plans are provided in the below table:

Key Terms	ESOP 2011	ESOP 2014 / EIP 2011 for US Employees	ESOP 2015 / EIP 2011 for US Employees	ESOP 2020
Class of Share	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).	Pursuant to conversion of Class B Non-voting Equity Shares (entitled under ESOP 2014) to Equity shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017), the Board of Directors at its meeting held on October 25, 2017 approved the administration of options granted and shares allotted under erstwhile ESOP 2014 to ESOP 2011.	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).	Equity Shares (as amended vide board meeting held on April 29, 2020 and extra ordinary general meeting held on May 13, 2020).
Ownership	Legal Ownership		Legal Ownership	Legal Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1,2,3 and 4 years respectively from the date of grant and become fully exercisable, subject to employee being in the employment of the Company.			
Exercise Price	Exercisable at an exercise price of ₹ 2, ₹ 3, ₹ 5 and ₹ 6 per option.	Exercisable at an exercise price of ₹ 2 and ₹ 6 per option.	Exercisable at an exercise price of ₹ 2, ₹ 6.25, ₹ 9.50, ₹ 11.50 and ₹ 26 per option.	No grant has been made under this scheme
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company as duly approved by the shareholders at the meeting held on July 31, 2017.			

	For the year ended	
	March 31, 2023	March 31, 2022
Employee stock compensation expense	120	300

Movements during the year

The following table illustrates the number and weighted average exercise price of share options during the year.

March 31, 2023

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	88,668	6.28	27,58,707	25.85
Granted during the year	-	-	-	-
Exercised during the year	(7,486)	5.84	(5,98,344)	25.82
Forfeited during the year	(81,182)	6.32	(1,67,730)	24.77
Outstanding options as at the end of the year	-	-	19,92,633	25.95
Weighted Average Remaining Contractual Life	-		3.77 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	16,000	6.0	29,830	26.00
Granted during the year	-	-	-	-
Exercised during the year	(6,000)	6.0	(10,355)	26.00
Forfeited during the year	(10,000)	6.0	-	-
Outstanding options as at the end of the year	-	-	19,475	26.00
Weighted Average Remaining Contractual Life	-		2.74 years	

March 31, 2022

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	1,27,868	5.98	39,65,379	25.31
Granted during the year	-	-	-	-
Exercised during the year	(35,600)	5.24	(8,13,898)	23.26
Forfeited during the year	(3,600)	6.00	(3,92,774)	25.82
Outstanding options as at the end of the year	88,668	6.28	27,58,707	25.85
Weighted Average Remaining Contractual Life	0.12 years		4.59 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	20,000	6.00	49,470	24.18
Granted during the year	-	-	-	-
Exercised during the year	(4,000)	6.00	(17,890)	20.98
Forfeited during the year	-	-	(1,750)	26.00
Outstanding options as at the end of the year	16,000	6.00	29,830	26.00
Weighted Average Remaining Contractual Life	0.42 years		3.66 years	

* Weighted Average Exercise Price

No options were granted during the year (March 31, 2022 - Nil)

The weighted average share price of shares exercised during the year is ₹ 944.91 (March 31, 2022 - ₹ 963.88)

Exercisable options as at March 31, 2023 - 12,17,785 options (March 31, 2022 - 8,47,466 options) and weighted average exercise price - ₹ 25.91 (March 31, 2022 - ₹ 22.92)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

42 Ratio Analysis and its Elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	% Change
Current ratio	Current Assets	Current Liabilities	1.89	2.67	-29%	Increase in short term borrowings as at March 31, 2023
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.66	0.37	78%	Impact of increase in outstanding borrowings for the year ended March 31, 2023
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments (excludes repayments for Packing credit foreign currency loan)	3.99	4.46	-11%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.29	0.31	-6%	
Trade Receivable Turnover Ratio	Net revenue	Average Trade Receivable	7.40	7.45	-1%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.90	3.76	4%	
Net Capital Turnover Ratio	Net revenue	Working capital = Current assets – Current liabilities	2.74	1.83	50%	Higher net revenue and lower working capital for the year ended March 31, 2023.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.16	0.18	-11%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	0.23	0.28	-18%	
Return on Investment	Interest (Finance Income) and gain from mutual funds	Investments (includes mutual funds, and fixed deposits)	0.05	0.04	25%	Reshuffling of investment from mutual funds to fixed deposits resulting in higher yield

43 The Company publishes Standalone Financial Statements along with the Consolidated Financial Statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the Consolidated Financial Statements. Accordingly, the segment information is given in the Consolidated Financial Statements of Happiest Minds Technologies Limited and its subsidiaries for the year ended March 31, 2023.

44 The Board of Directors of the Company at their meeting held on May 8, 2023, recommended the payout of a final dividend of ₹ 3.4/- per equity share of face value ₹ 2/- each for the financial year ended March 31, 2023 . This recommendation is subject to approval of shareholders at the 12th Annual General Meeting of the Company scheduled to be held on July 17, 2023.

45 Rules in relation to 'The Code on Social Security, 2020 ('Code')' yet to be notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

46 The Company maintains the information and documents as required under the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is in the process of updating the transfer pricing documentation for the financial year 2022 - 2023 and is of the view that its transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

47 Previous year's figures have been regrouped/ reclassified wherever necessary to conform with current year classification.

As per our report of even date
for **Deloitte Haskins and Sells**
Chartered Accountants
ICAI Firm's Registration Number : 008072S

for and on behalf of the Board of Directors:
Happiest Minds Technologies Limited
CIN : L72900KA2011PLC057931

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: May 08, 2023

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: May 08, 2023

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: May 08, 2023

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: May 08, 2023