

CNERGYIS INFOTECH INDIA PRIVATE LIMITED
Consolidated Balance Sheet as at March 31, 2022

(All amounts are in indian rupees in thousands, except per share data or where mentioned separately)

	Note	March 31, 2022	March 31, 2021
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	3,445	2,699
(b) Reserves and surplus	4	5,48,091	1,35,596
		<u>5,51,536</u>	<u>1,38,295</u>
(2) Non-current liabilities			
(a) Long-term borrowings	5	-	24,185
(b) Long-term provisions	6	16,801	21,576
		<u>16,801</u>	<u>45,761</u>
(3) Current liabilities			
(a) Short-term borrowings	7	13,828	-
(b) Trade payables	8	50,296	35,123
(c) Other current liabilities	9	75,380	20,674
(d) Short-term provisions	6	34,951	20,302
		<u>1,74,455</u>	<u>76,100</u>
TOTAL		<u><u>7,42,793</u></u>	<u><u>2,60,155</u></u>
II. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment and intangible assets			
- Property, Plant and Equipment	10.1	8,407	4,249
- Intangible assets	10.2	-	-
(b) Non-current investments	11	-	39,483
(c) Deferred tax assets (net)	12	-	11,840
(d) Long-term loans and advances	13	38,380	-
(e) Other non-current assets	14	772	4,407
		<u>47,559</u>	<u>59,979</u>
(2) Current assets			
(a) Current investments	15	57,530	-
(b) Trade receivables	16	1,64,628	1,17,085
(c) Cash and cash equivalents	17	4,64,189	10,777
(d) Short-term loans and advances	13	5,376	237
(e) Other current assets	14	3,511	72,077
		<u>6,95,234</u>	<u>2,00,176</u>
TOTAL		<u><u>7,42,793</u></u>	<u><u>2,60,155</u></u>

Summary of significant accounting policies 2

The accompanying notes from 1 to 41 are an integral part of the consolidated financial statements.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors of
Cnergys Infotech India Private Limited
(CIN No :- U72400MH2000PTC125479)

Rajesh Shetty
Partner
Membership no.: 130778

Name : Prasad Rajappan
Managing Director
DIN No:0193302

Name : Bindu Prasad
Director
DIN No:0288650

Place : Mumbai
Date : 27 September 2022

Name : Shetul Thakrar
CFO
Place : Mumbai
Date : 27 September 2022

CNERGYIS INFOTECH INDIA PRIVATE LIMITED**Consolidated statement of Profit and Loss for the year ended March 31, 2022***(All amounts are in indian rupees in thousand, except per share data or where mentioned separately)*

	Note	March 31, 2022	March 31, 2021
Revenue			
I. Revenue from operations	18	5,57,789	4,53,052
II. Other income	19	3,039	4,538
III. Total Income (I + II)		5,60,828	4,57,590
IV. Expenses			
Employee benefits expense	20	3,98,848	2,48,046
Finance costs	21	3,278	3,772
Depreciation and amortization expense	10.1 & 10.2	3,847	2,937
Other expenses	22	2,54,587	1,19,494
Total Expenses		6,60,559	3,74,248
V. (Loss)/Profit before extraordinary items and tax (III - IV)		(99,732)	83,342
VI. Extraordinary items (Refer note 39)		-	13,557
VII (Loss)/Profit before tax (V-VI)		(99,732)	69,785
VIII. Tax expense			
Current tax (MAT)		-	11,782
Deferred tax charge/(credit)	12	11,840	14,135
		11,840	25,917
(Loss)/Profit for the year (VII - VIII)		(1,11,572)	43,868
(Loss)/Profit for the year %		-20%	10%
Earnings per equity share			
Basic (in Rs.) (face value of Rs. 10 each)	23	(602)	264

Summary of significant accounting policies 2

The accompanying notes from 1 to 41 are an integral part of the consolidated financial statements.

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 Firm Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors of
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 (CIN No :- U72400MH2000PTC125479)

Rajesh Shetty
Partner
 Membership no.: 130778

Name : Prasad Rajappan
 Managing Director
 DIN No:0193302

Name : Bindu Prasad
 Director
 DIN No:0288650

Place : Mumbai
 Date: 27 September 2022

Name : Shetul Thakrar
 CFO
 Place : Mumbai
 Date: 27 September 2022

CNERGYIS INFOTECH INDIA PRIVATE LIMITED**Consolidated statement of Cash Flow for the year ended March 31, 2022***(All amount are in indian rupees in thousand, except per share data or where mentioned separately)*

	March 31, 2022	March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ Profit before Tax	(99,732)	69,785
Adjustments for:		
Depreciation and amortisation expense	3,847	2,937
Provision for doubtful debts	11,740	-
Interest expense	3,278	3,772
Interest income	(1,978)	(1,092)
Interest on income tax	-	(2,429)
Profit on sale of mutual fund	(1,061)	(1,017)
Employee stock option compensation expense	12,207	-
Operating Cash flow before working capital changes	(71,698)	71,956
Movements in working capital:		
(Increase) in trade receivables, loans and advances and other assets	(58,491)	(46,544)
(Increase) in Income Tax	-	(11,782)
Increase in trade payables, current liabilities and provisions	76,527	21,081
Increase/(decrease) in Foreign Exchange	-	(76)
Cash generated from operations	(53,662)	34,635
Direct taxes paid (net)	(30,580)	-
Net cash flow (used in)/generated from operating activities (a)	(84,242)	34,635
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(4,442)	(3,322)
Purchase of mutual fund	(51,290)	-
Proceeds from sale of mutual fund	34,304	(22,220)
Bank deposit placed	(4,16,454)	-
Proceed from bank deposit	58,444	-
Interest expenses	-	(3,772)
Interest income	2,472	-
Net cash flow used in investing activities (b)	(3,76,966)	(29,314)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(11,508)	(9,239)
Proceed from borrowings	1,150	-
Proceed from issue of share capital	5,12,821	-
Interest income	-	4,538
Interest expense	(3,524)	-
Net cash flow generated from/(used in) financing activities (c)	4,98,939	(4,701)
D Exchange difference arising on conversion debited to foreign currency translation reserve	(304)	-
Net Increase in cash and cash equivalents (A+B+C+D)	37,427	620
Cash and cash equivalents at the beginning of the year	10,777	10,158
Cash and cash equivalents at the end of the year	48,204	10,778
Component of cash and cash equivalents:		
Cash in hand	75	86
Balances with Banks in current account	48,130	10,691
	48,204	10,777

Summary of significant accounting policies 2

The accompanying notes from 1 to 41 are an integral part of the consolidated financial statements.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors of
Cnergys Infotech India Private Limited
(CIN No :- U72400MH2000PTC125479)

Rajesh Shetty
Partner
Membership no.: 130778

Name : Prasad Rajappan
Managing Director
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Name : Bindu Prasad
Director
DIN No:0288650

Name : Shetul Thakrar
CFO
Place : Mumbai
Date: 27 September 2022

Place : Mumbai
Date: 27 September 2022

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Consolidated notes to the financial statements as at and for the year ended March 31, 2022

(All amount are in indian rupees in thousand, except per share data or where mentioned separately)

1. Company overview

Cnergyis Infotech India Private Limited ('the Company') was incorporated on 30.03.2000 as a private limited company. The main business of the Company is to provide end to end employee life cycle management system through software as service (SaaS).

2. Significant accounting policies

2.1 Basis of preparation of Consolidated financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 ("2013 Act"), read with Rules framed thereunder, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India (Indian GAAP), to the extent applicable and in particular AS 21 – "Consolidated Financial Statements", the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India (Indian GAAP), to the extent applicable.

2.2 Basis of consolidation

The consolidated financials statements relate to Cnergyis Infotech India Private Limited and its wholly-owned subsidiaries. The Holding Company along with its subsidiaries company constitute 'the Group'.

The consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 ("2013 Act"), read with Rules framed thereunder, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India (Indian GAAP), to the extent applicable. The consolidated financial statements are presented in India rupees.

For the purpose of consolidation, the Consolidated financial statement of the subsidiary is translated in accordance with the principles and procedures laid in AS 11, "The Effects of Changes in Foreign Exchange Rates".

The financial statements of the Holding Company and its Subsidiary have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and resulting unrealised profits in full.

The consolidated financial statements are presented in Indian Rupees in thousand, except per share data.

Any exchange difference arising on consolidation of integral foreign operation and non-integral foreign operation is recognised in the Statement of Profit and Loss and Exchange Fluctuation Reserve respectively

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, and the disclosure of contingent liabilities on the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying Consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.4 Current/Non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

- i) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is expected to be realized within 12 months after the reporting date; or
- iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Consolidated notes to the financial statements as at and for the year ended March 31, 2022

(All amount are in indian rupees in thousand, except per share data or where mentioned separately)

2. Significant accounting policies (Continued)

2.4 Current/Non-current classification (Continued)

A liability is classified as current when it satisfies any of the following criteria:

- i) It is expected to be settled in the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is due to be settled within 12 months after the reporting date; or
- iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of the service and the time between the acquisition of assets and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

2.5 Property, plant and equipment and Intangible Assets

Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. The cost of property, plant and equipment includes inward freight, duties, taxes (to the extent not recoverable from the tax authorities) and incidental expenses related to acquisition and installation of the asset.

Intangible assets

Intangible assets are stated at historical cost of acquisition less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure on an intangible asset after its purchase / completion is capitalized only if it can be measured and attributed to the intangible asset reliably and such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.6 Depreciation and amortization

The Company provides depreciation on fixed assets on the straight-line method (SLM), pro rata to the period of use. The economic/ estimated useful life of the assets as determined by the management is same as prescribed in Schedule II of the Act.

The estimated useful life determined by the management is as follows :

Asset Category	Useful life estimated by the management (years)
Property, plant and equipment	
Vehicle	5
Furniture and Fittings	10
Office Equipment	5
Computers and IT equipments	3
Intangible Assets	
Internally generated software licence/IPR	5

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Consolidated notes to the financial statements as at and for the year ended March 31, 2022

(All amount are in indian rupees in thousand, except per share data or where mentioned separately)

2. Significant accounting policies (Continued)

2.7 Impairment of assets

In accordance with AS 28 - 'Impairment of Assets', where there is an indication that an asset or a group of assets (cash generating unit) may be impaired, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss or against revaluation surplus, where applicable. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

2.8 Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense on a straight-line basis over the lease period, unless another systematic basis is more representative of the time pattern of the user's benefit.

2.9 Investments

Investments are classified as long-term or current based on intention of management at the time of purchase. Long-term investments are carried at carrying cost less any decline in the value, which is other than temporary, determined separately for each individual investment.

Current investments are valued at the lower of cost and fair value. The comparison of cost and net realizable value is done separately in respect of each individual investment.

Purchase and sale of investment are recorded on trade date. Profit or loss on sale of investments is determined based on weighted average cost and is recognized on trade date and is charged or credited to the Statement of Profit and Loss.

2.10 Employee benefits

(a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits such as salaries, wages, bonus, short-term compensated absences, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period.

(b) Post employee benefits

Defined contribution plans

The Company's employees' provident fund scheme is a defined contribution plan. The Company's contribution to the employees' provident fund is charged to the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plans

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current year. The benefit is discounted to determine its present value and the fair value of plan assets, if any, is deducted from such determined present value.

Present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discount rate used for determining the present value is based on the prevailing market yields on Indian Government Securities as at the balance sheet date for the estimated term of the obligation.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Consolidated notes to the financial statements as at and for the year ended March 31, 2022

(All amount are in indian rupees in thousand, except per share data or where mentioned separately)

2. Significant accounting policies (Continued)

2.10 Employee benefits (Continued)

Compensated absences

The employees are entitled to accumulate leave subject to certain limits for future encashment. The expected cost for accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date.

2.11 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized net of taxes. The following specific recognition criteria must also be met before revenue is recognized:

Service income is recognised as per the terms of contracts with the customers when the related services are performed, or the agreed milestones are achieved.

Dividend income is recognised when the unconditional right to receive the income is established.

Interest income is recognised using the time proportion method based on the underlying interest rates.

Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realization exists.

2.12 Foreign exchange transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Exchange rate differences arising on foreign currency transactions settled during the period are recognized in the Statement of Profit and Loss for the period. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing exchange rate on that date and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at historical cost.

2.13 Earnings per share ('EPS')

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

2.14 Taxation

Current tax

Provision for current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income tax Act, 1961.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is reasonable certainty of realization in the future. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence of realization of such assets. Such assets are reviewed at each balance sheet date to reassess realization.

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cheques/drafts on hand, remittances in transit, balances with bank held in current account, demand deposits with original maturities of three months or less, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Consolidated notes to the financial statements as at and for the year ended March 31, 2022

(All amount are in indian rupees in thousand, except per share data or where mentioned separately)

2. Significant accounting policies (Continued)

2.16 Cash flow statement

Cash flow statement has been prepared using indirect method in accordance with AS 3 – Cash flow statement.

2.17 Provisions and contingencies

Provision is recognised in the Balance Sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

2.18 Employee Stock Options

Employee Stock Option Scheme of the Company provided for a remuneration in the form of share-based payments in form of stock options, whereby employees render services as consideration for stock options. Fair value of stock options is determined on the grant date using the Black Scholes valuation model. Cost is recognized as employee benefits expense in the Statement of Profit and Loss, together with a corresponding credit to Stock Option Outstanding Reserves, over the period in which the performance and/or service conditions are fulfilled. Cumulative expense recognized 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 shares that will ultimately vest. Expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized as employee benefits expense in the Statement of Profit and Loss.

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Notes to consolidated financial statements as at year ended March 31, 2022

(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)

3. Share capital

	March 31, 2022	March 31, 2021
Authorized shares capital		
8,00,000 (Mar 31,2021- 3,00,000) Equity Shares of Rs.10/- each	8,000	3,000
2,00,000 (Mar 31,2021- 2,00,000) Preference Shares of Rs.10/- each	2,000	2,000
	10,000	5,000

	March 31, 2022	March 31, 2021
Issued, subscribed and fully paid-up Equity Share Capital		
Issued, Subscribed and Paid up		
1,62,500 (Mar 31,2021- 1,62,500) Class A Equity Shares of Rs. 10/- each	1,684	1,684
61 (Mar 31,2021- 61) Class B Equity Shares of Rs. 10/- each	1	1
34 (Mar 31,2021- 34) Class C Equity Shares of Rs. 10/- each *	0	0
30 (Mar 31,2021- 30)Class D Equity Shares of Rs. 10/- each *	0	0
74,558 (Mar 31,2021- Nil) Class E Equity Shares of Rs. 10/- each	746	-
	2,431	1,685

*Represents value less than 0.50 thousand

	March 31, 2022	March 31, 2021
Preference Share Capital		
44,957 (Mar 31,2021- 44,957) Series A compulsorily convertible cumulative preference shares of Rs.10 each	450	450
7,824 (Mar 31, 2021- 7,824) Series A1 compulsorily convertible cumulative preference shares of Rs. 10 each	78	78
25,204 (Mar 31,2021-25,204) Series B compulsorily convertible cumulative preference shares of Rs. 10 each	252	252
23,386 (Mar 31,2021- 23,386) Series C compulsorily convertible cumulative preference shares of Rs. 10 each	234	234
	1,014	1,014

Total issued, subscribed and fully paid-up share capital **3,445** 2,699

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Class A Equity shares	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	168	1,684	168	1,684
Issued during the year	-	-	-	-
Outstanding at the end of the year	168	1,684	168	1,684
Class B Equity Shares	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year *	0	1	0	1
Issued during the year	-	-	-	-
Outstanding at the end of the year	0	1	0	1
Class C Equity Shares	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year *	0	0	0	0
Issued during the year	-	-	-	-
Outstanding at the end of the year	0	0	0	0
Class D Equity Shares	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year *	0	0	0	0
Issued during the year	-	-	-	-
Outstanding at the end of the year	0	0	0	0
Class E Equity Shares	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	-	-
Issued during the year	75	746	-	-
Outstanding at the end of the year	75	746	-	-

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Notes to consolidated financial statements as at year ended March 31, 2022

(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)

Series A convertible cumulative preference shares

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	45	450	45	450
Issued during the year	-	-	-	-
Outstanding at the end of the year	45	450	45	450

Series A1 convertible cumulative preference shares

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	8	78	8	78
Issued during the year	-	-	-	-
Outstanding at the end of the year	8	78	8	78

Series B convertible cumulative preference shares

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	25	252	25	252
Issued during the year	-	-	-	-
Outstanding at the end of the year	25	252	25	252

Series C convertible cumulative preference shares

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	23	234	23	234
Issued during the year	-	-	-	-
Outstanding at the end of the year	23	234	23	234

*Represents value less than `0.50 thousand

b. Rights, preferences and restrictions attached to each class of shares

Equity Shares :

1,68,417 Class A equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts as defined in the respective Shareholders Agreement, in proportion to their shareholding. The distribution to equity shareholders will be in proportion to the number of equity shares held by such shareholders.

61 Class B equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts as defined in the respective Shareholders Agreement, in proportion to their shareholding. The distribution to equity shareholders will be in proportion to the number of equity shares held by such shareholders.

34 Class C equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts as defined in the respective Shareholders Agreement, in proportion to their shareholding. The distribution to equity shareholders will be in proportion to the number of equity shares held by such shareholders.

40 Class D equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts as defined in the respective Shareholders Agreement, in proportion to their shareholding. The distribution to equity shareholders will be in proportion to the number of equity shares held by such shareholders.

74,558 Class E equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts as defined in the respective Shareholders Agreement, in proportion to their shareholding. The distribution to equity shareholders will be in proportion to the number of equity shares held by such shareholders.

CNERGYIS INFOTECH INDIA PRIVATE LIMITED**Notes to consolidated financial statements as at year ended March 31, 2022***(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)***Preference shares:**

4,4957 Series A compulsorily convertible Preference Share of Rs.10 each shall have a tenure of 20 (twenty) years from the date of allotment. Such Series A Shares shall automatically convert into Class B Shares of the Company at the end of the tenure or in a manner as set forth. Investor shall be entitled to receive in respect of each such Series A Share one Class B Share (face value INR10/- (Rupees Ten)) (the "Conversion Rate"). The Class B Shares so issued shall, except as otherwise set forth in the Transaction Documents, shall rank pari passu with the other Equity Shares of the Company

7,824 Series A1 compulsorily convertible Preference Share of Rs.10 each shall have a tenure of 20 (twenty) years from the date of allotment. Such Series A1 Shares shall automatically convert into Class B Shares of the Company at the end of the tenure or in a manner as set forth. Investor shall be entitled to receive in respect of each such Series A1 Share one Class B Share (face value INR10/- (Rupees Ten)) (the "Conversion Rate"). The Class B Shares so issued shall, except as otherwise set forth in the Transaction Documents, shall rank pari passu with the other Equity Shares of the Company

25,204 Series B compulsorily convertible Preference Share of Rs.10 each shall have a tenure of 10 (ten) years from the date of allotment. Such Series B Shares shall automatically convert into Class C Shares of the Company at the end of the tenure or in a manner as set forth. Investor shall be entitled to receive in respect of each such Series B Share, one Class C Share (face value INR 10/- (Rupees Ten)) (the "Conversion Rate"). The Class C Shares so issued shall, except as otherwise set forth in the Transaction Documents, shall rank pari passu with the other Equity Shares of the Company

2,3376 Series C compulsorily convertible Preference Share of Rs.10 each shall have a tenure of 10 (ten) years from the date of allotment. Such Series C Shares shall automatically convert into Class D Shares of the Company at the end of the tenure or in a manner as set forth. Investor shall be entitled to receive in respect of each such Series C Share, one Class D Share (face value INR 10/- (Rupees Ten)) (the "Conversion Rate"). The Class D Shares so issued shall, except as otherwise set forth in the Transaction Documents, shall rank pari passu with the other Equity

ESOP

Terms attached to employee stock option granted to employee are described in note 36

c. Details of shareholders holding more than 5% shares in the Company

	March 31, 2022		March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares				
Class A Equity shares				
Prasad Rajappan	140	73.71%	147	87.08%
Tata Capital Growth fund II	15	7.68%	-	-
Class B Equity shares				
Tata Capital Growth fund II *	0	57.38%	-	-
Indekena mauritius limited *	0	26.23%	0	26.23%
Rajesh Sehgal *	0	8.20%	0	8.20%
			0	52.46%
Class C Equity shares				
Triton Fund-I*	0	88.24%	0	88.24%
Tata Capital Growth fund II *	0	11.76%	-	-
M/s Erasmic (Foreign co.)*			0	11.76%
Class D Equity shares				
Better World Technology Holdings *	0	66.67%	0	66.67%
Triton Fund-I *	0	26.67%	0	26.67%
Class E Equity shares				
Tata Capital Growth fund II	73	97.50%	-	-
Series A convertible Cumulative preference shares				
Tata Capital Growth fund II	26	57.67%	-	-
Indekena mauritius limited	12	26.23%	12	26.23%
Rajesh Sehgal	4	8.20%	4	8.20%
M/s Erasmic (Foreign co.)	-	0.00%	24	52.46%
Series A1 convertible Cumulative preference shares				
Tata Capital Growth fund II	7	94.34%	-	-
M/s Erasmic (Foreign co.)			7	94.34%
Series B convertible Cumulative preference shares				
Triton Fund-I	22	88.49%	22	88.49%
Tata Capital Growth fund II	3	11.51%	-	-
M/s Erasmic (Foreign co.)			3	11.51%
Series C convertible Cumulative preference shares				
Better World Technology Holdings	8	34.30%	15	65.79%
Tata Capital Growth fund II	7	31.48%	-	-
Triton Fund-I	6	26.33%	6	26.33%

*Represents value less than 0.50 thousand

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Notes to consolidated financial statements as at year ended March 31, 2022

(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)

d. Details of shares held by promoters *

As on March 31, 2022

Promoter name	No. of equity shares	% of total equity shares (Class A)	% change during the year
Prasad Rajappan	1,39,525	73.71%	13.36%
Bindu Prasad	100	0.05%	0.00%

As on March 31, 2021

Promoter name	No. of equity shares	% of total equity shares (Class A)	% change during the year
Prasad Rajappan	1,46,653	87.08%	0.00%
Bindu Prasad	100	0.05%	0.00%

* Promoter here means promoter as defined in the Companies Act, 2013

e. Share reserved for issue under option and contracts/commitments for the sale of shares/disinvestment

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Employee stock option scheme, 2021 :	9,140	91,400	9,360	93,600
9,140 (March 31, 2021 9,360) equity share of Rs. 10 each at an exercise price of Rs. 10 each				

e. Equity Shares reserved for Compulsorily Convertible Preference Shares of the Company

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Class B Equity Shares of Rs. 10/- each	53	528	53	528
Class C Equity Shares of Rs. 10/- each	25	252	25	252
Class D Equity Shares of Rs. 10/- each	23	234	23	234

4. Reserves and surplus

	March 31, 2022	March 31, 2021
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(35,805)	(79,673)
Add: (Loss)/Profit for the year	(1,11,572)	43,868
Balance as of the year end	(1,47,377)	(35,805)
Security premium Account		
Balance at the beginning of the year	1,70,880	1,70,880
Add: Addition during the year	5,12,075	-
Balance at the end of the year	6,82,955	1,70,880
Employee stock option outstanding account (Refer Note 36)		
Balance at the beginning of the year	-	-
Add: Employee stock option expense for the year	12,207	-
Balance as of the year end	12,207	-
Foreign Currency Translation Reserve		
Balance at the beginning of the year	520	597
Add: (Loss)/profit during the year	(214)	(76)
Balance as of the year end	306	520
Total Reserves and surplus	5,48,091	1,35,596

Nature and purpose of reserves are as below

(a) Retained earnings :

Retained earnings represent undistributed accumulated earnings of the Company as on the balance sheet date.

(b) Security Premium Account :

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(c) Employee stock option outstanding account :

The fair value of the equity-settled share based payment transactions with employees including key management personnel is recognised in the Statement of Profit and Loss with corresponding credit to Employee stock option outstanding account

5. Long-term borrowings

	March 31, 2022	March 31, 2021
Secured		
Vehicle loan from bank *	-	433
Loans repayable on demand		
Cash Credit**	-	6,014
Unsecured		
Loan from related parties and others ***	-	17,738
	-	24,185

* Vehicle loan are secured against the hypothecation of the related Vehicle.

** Cash credit facility from bank is primarily secured against hypothecation trade receivable of the Company. Cash credit from banks carry rate of interest rate of 9.2 % p.a.

*** Unsecured loan from related parties which is repayable on demand carries no interest (Refer note 27) and others carries the interest of 16%

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Notes to consolidated financial statements as at year ended March 31, 2022

(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)

6. Provisions

	Long-term		Short-term	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Compensated absences	-	-	26,588	-
Gratuity (Refer Note 30)	16,801	21,576	8,363	-
	16,801	21,576	34,951	-
Payable to employees	-	-	-	20,302
	16,801	21,576	34,951	20,302

7. Short-term borrowings

	March 31, 2022	March 31, 2021
Secured		
Loans repayable on demand		
Cash Credit*	10,497	-
Current Maturities of Long-term borrowings		
Vehicle loan from bank **	216	-
Unsecured		
Loan from related parties and others ***	3,115	-
	13,828	-

* Cash credit facility from bank is primarily secured against hypothecation trade receivable of the Company. Cash credit from banks carry rate of interest rate of 9.2 % p.a.

** Nature of security and terms of repayment of vehicle loan:

Name of the secured vehicle	Bank Name	Taken during Financial year	Rate of Interest	Outstanding as on 31 March 2022 (Non current)	Outstanding as on 31 March 2022 (Current)	Period of Instalments from 1 April 2022	Amount per Instalment including interest (EMI)#
MARUTI ERTIGA ZXI	HDFC Bank	2017-18	8.25%	-	216	11	Rs. 20,397 monthly

Name of the secured vehicle	Bank Name	Taken during Financial year	Rate of Interest	Outstanding as on 31 March 2021 (Non current)	Outstanding as on 31 March 2021 (Current)	Period of Instalments from 1 April 2021	Amount per Instalment including interest (EMI)#
MARUTI ERTIGA ZXI	HDFC Bank	2017-18	8.25%	216	217	11	Rs. 20,397 monthly

Principal amount per instalment to be paid is not constant (increasing every consecutive month) for all periods of installments.

*** Unsecured loan from related parties which is repayable on demand carries no interest. Refer note 27

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Notes to consolidated financial statements as at year ended March 31, 2022

(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)

8 Trade payable

- A) Total outstanding dues of micro enterprises and small enterprises; and;
B) Total outstanding dues of creditors other than micro enterprises and small enterprises

	March 31, 2022	March 31, 2021
	806	1,397
	49,490	33,726
	<u>50,296</u>	<u>35,123</u>

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i) MSME*	805.42	1	-	-	806
(ii) Others	29,351	1,843	1,003	293	32,490
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	30,156	1,844	1,003	293	33,297
Accrued expenses					16,999
					<u>50,296</u>

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i) MSME*	1,397	-	-	-	1,397
(ii) Others	32,391	880	135	320	33,726
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	33,789	880	135	320	35,123
Accrued expenses					6,750
					<u>41,873</u>

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

9. Other current liabilities

Statutory dues payable

- (a) Goods and Service tax
(b) Tax deducted at source
(c) Employees' State Insurance Corporation
(d) Profession tax
(e) Provident fund
Payable to employees
Interest on inter-corporate deposits
Unearned revenue
Accrued expenses
Creditors for capital goods
Reimbursement of expenses

	March 31, 2022	March 31, 2021
	16,134	6,909
	8,247	4,215
	17	24
	81	57
	1,497	1,190
	30,331	1,265
	-	247
	15,586	-
	-	6,750
	3,472	-
	15	16
	<u>75,380</u>	<u>20,674</u>

CNERGYIS INFOTECH INDIA PRIVATE LIMITED**Notes to consolidated financial statements as at year ended March 31, 2022***(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)***11. Non-current investments****Investment in Mutual Fund - Quoted**

	March 31, 2022	March 31, 2021
Franklin India Savings Fund Retail-Growth (2022:Nil units, 2021: 1,09,320)	-	4,049
Mahindra Manulife Short Term Fund Regular-Growth (2022:2,346,956 units, 2021: 2,66,70,819)	-	26,671
Franklin India Short Bond Fund(SIG) (2022:20 units, 2021: 411)	-	11
UTI MIS Advantage Plan- Growth (2022:361 units, 2021: 361)	-	10
UTI Ultra Short Term Fund Regular Growth (2022:1,228 units, 2021: 87,42,315)	-	8,742
	<u>-</u>	<u>39,483</u>
Aggregate amount of quoted investment	-	39,483
Aggregate market value of quoted investments	-	40,000

12. Deferred tax assets (net)**The deferred tax assets comprises of the following**

	March 31, 2022	March 31, 2021
Deferred tax asset		
Difference between book depreciation and depreciation under the Income tax Act, 1961	4,382	5,497
Provision for compensated absences	6,913	-
Disallowance under section 40(A)(7) of the Income tax Act, 1961	6,543	5,610
Carried forward business loss and accumulated depreciation/amortisation	16,584	733
Employee stock option	3,174	-
Disallowance under section 40(a) of the Income tax Act, 1961	2,364	-
Provision for doubtful debts	3,052	-
	<u>43,012</u>	<u>11,840</u>
Total deferred tax asset	43,012	11,840
Deferred tax not recognized in financial statement *	(43,012)	-
	<u>-</u>	<u>11,840</u>
Net deferred tax asset	-	11,840

* In the absence of virtual certainty, the company has not recognized deferred tax asset amounting to Rs. 43,011 (PY Rs. Rs. nil) being timing difference on the account of unabsorbed depreciation, carried forward losses and depreciation on property, plant and equipment and others as per Accounting Standard (AS) - 22 "Accounting for Taxes on Income" as notified under Section 133 of the Companies Act 2013

13. Loans and advances*(Unsecured and considered good)*

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Advance tax (Net of Provision for tax Rs. Nil (previous year Rs. 11,782)	38,380	-	-	-
Prepaid expenses	-	-	3,625	-
Advance to supplier (considered goods)	-	-	454	-
Loans and advances to employees	-	-	1,297	237
	<u>38,380</u>	<u>-</u>	<u>5,376</u>	<u>237</u>

14. Other assets*(Unsecured and considered good)*

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Deposits*	92	3,727	2,548	-
Deposits (EMD)*	680	680	-	-
Prepaid expenses	-	-	-	5,412
Advance tax (Net of Provision for tax Rs. Nil (previous year Rs. 11,782)	-	-	-	7,800
Receivable for reimbursement of expenses	-	-	567	-
Fixed deposit with banks	-	-	-	57,975
Interest accrued on deposit	-	-	396	890
	<u>772</u>	<u>4,407</u>	<u>3,511</u>	<u>72,077</u>

*Pursuant to Schedule III previous year number has been reclassified from Note 13 to Note 14.

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Notes to consolidated financial statements as at year ended March 31, 2022

(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)

15. Current Investments

Investment in Mutual Fund - Quoted

	March 31, 2022	March 31, 2021
Franklin India Short Bond Fund(SIG) (2022:20 units, 2021: 411)	1	-
Mahindra Manulife Balanced Advantage Yojana Regular - Growth (2022:20,00,506 units, 2021:Nil)	20,005	-
Mahindra Manulife Flexi Cap Yojana Regular - Growth (2022:99,995 units, 2021:Nil)	1,000	-
Mahindra Manulife Multi Cap Badgat Yojana Regular - Growth (2022:2,42,215 units, 2021:Nil)	4,000	-
Mahindra Manulife Short Term Fund Regular-Growth (2022:2,346,956 units, 2021: 2,66,70,819)	23,606	-
PGIM India Small Cap Fund Regular - Growth (2022:4,99,975 units, 2021:Nil)	5,000	-
UTI MIS Advantage Plan- Growth (2022:361 units, 2021: 361)	10	-
UTI Ultra Short Term Fund Regular Growth (2022:1,228 units, 2021: 87,42,315)	3,908	-
	<u>57,530</u>	<u>-</u>
Aggregate amount of quoted investment	57,530	-
Aggregate market value of updated investments	60,200	-

16. Trade Receivables

	March 31, 2022	March 31, 2021
Unsecured, considered good	1,64,628	1,15,920
Doubtful	11,740	-
	<u>1,76,368</u>	<u>1,15,920</u>
Less: Allowance for doubtful trade receivables	(11,740)	-
Unbilled Receivables		
-Considered Good*	-	1,165
-Considered Doubtful	-	-
	<u>1,64,628</u>	<u>1,17,085</u>

*Pursuant to Schedule III previous year number has been reclassified from Note 14 to Note 16.

Trade Receivable Ageing Schedule

As at 31 March 2022

Particulars	Less than 6 months	6 Months- 1 yrs.	1-2 Yrs.	2-3 Yrs.	More than 3 yrs.
(i) Undisputed Trade receivables – considered good	1,56,331	7,845	120	20	312
(ii) Undisputed Trade Receivables – Considered doubtful	-	2,325	4,282	3,152	1,981
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-
	1,56,331	10,170	4,402	3,172	2,293
Less: Allowance for doubtful trade receivables					(11,740)
					<u>1,64,628</u>
Add : Unbilled receivables					-
					<u>1,76,368</u>

As at 31 March 2021

Particulars	Less than 6 months	6 Months- 1 yrs.	1-2 Yrs.	2-3 Yrs.	More than 3 yrs.
(i) Undisputed Trade receivables – considered good	1,01,499	8,518	3,646	1,223	1,034
(ii) Undisputed Trade Receivables – Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-
	1,01,499	8,518	3,646	1,223	1,034
Less: Allowance for doubtful trade receivables					-
					<u>1,15,920</u>
Add : Unbilled receivables					1,165
					<u>1,17,085</u>

17. Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with banks:		
- In current accounts	48,130	10,691
Cash on hand	75	86
Other bank balances		
- In fixed deposit accounts with maturity of more than 3 months but less than 12 months	4,15,984	-
	<u>4,64,189</u>	<u>10,777</u>

CNERGYIS INFOTECH INDIA PRIVATE LIMITED**Notes to consolidated financial statements for the year ended March 31, 2022***(All amount are in indian rupees in thousand, except per share data or where mentioned separately)*

	March 31, 2022	March 31, 2021
18. Revenue from operations		
Sale of services	5,57,789	4,53,052
Total Income	5,57,789	4,53,052
19. Other income		
Interest on Income tax refund	-	2,429
Interest on fixed deposits	1,978	1,055
Miscellaneous income	-	37
Gain on sale of mutual fund	1,061	1,017
	3,039	4,538
20. Employee benefits expense		
Salaries, wages and bonus	3,38,194	2,21,317
Contribution to provident fund and any other fund (Refer note 30)	8,220	6,984
Employee stock option compensation expense* (Refer note 36)	12,207	-
Gratuity (Refer note 30)	5,673	17,107
Compensated absences (Refer note 30)	26,588	
Staff welfare	7,966	2,638
	3,98,848	2,48,046
* include previous year cost of Rs. 1,786 thousand		
21. Finance costs		
Interest		
- On borrowings	1,761	2,723
- On overdraft	1,517	787
- Others	-	262
	3,278	3,772
22. Other expenses		
Admin and facility Charges	14,400	8,355
Server and data security charges	62,213	53,869
Rent expenses (Refer note 29)	7,597	8,864
Selling and marketing expenses	21,116	3,429
Telephone expenses	1,558	1,540
Travelling and conveyance expense	10,184	1,128
Software subscription	10,567	5,142
Product maintenance charges	19,077	6,119
Provision for doubtful debts	11,740	-
Professional fees	88,369	27,390
Auditor's fees and expenses (Refer note 31)	950	225
Miscellaneous expenses	6,816	3,433
	2,54,587	1,19,494

CNERGYIS INFOTECH INDIA PRIVATE LIMITED
Notes to consolidated financial statements as at year ended March 31, 2022
(All amount are in indian rupees in thousand, except per share data or where mentioned separately)
10 Property, Plant and Equipment and Intangible assets
10.1 Property, Plant and Equipment

	Vehicle	Computer and IT Equipment	Furniture & fixture	Office equipment	Total
Gross block					
At March 31, 2020	4,756	11,357	7,195	2,725	26,033
Additions	-	2,291	866	166	3,322
Deletions	-	-	-	-	-
At March 31, 2021	4,756	13,648	8,060	2,891	29,355
Additions	-	7,556	3	446	8,005
Deletions	-	-	-	-	-
At March 31, 2022	4,756	21,204	8,063	3,337	37,360
Depreciation					
At March 31, 2020	4,325	9,335	6,042	2,467	22,170
Charge for the year	191	1,648	902	196	2,937
Deletions	-	-	-	-	-
At March 31, 2021	4,516	10,983	6,944	2,663	25,106
Charge for the year	123	2,972	554	198	3,847
Deletions	-	-	-	-	-
At March 31, 2022	4,639	13,955	7,498	2,861	28,954
Net block					
At March 31, 2021	240	2,664	1,117	228	4,249
At March 31, 2022	117	7,248	566	476	8,407

10.2. Intangible assets

	File-my-returns.com	Zing HR	My Payroll Manager	Total
Gross block				
At March 31, 2020	669	1,77,030	96	1,77,795
Addition	-	-	-	-
Deletions	-	-	-	-
At March 31, 2021	669	1,77,030	96	1,77,795
Addition	-	-	-	-
Deletions	-	-	-	-
At March 31, 2022	669	1,77,030	96	1,77,795
Amortization				
At March 31, 2020	669	1,77,030	96	1,77,795
Charge for the year	-	-	-	-
Deletions	-	-	-	-
At March 31, 2021	669	1,77,030	96	1,77,795
Charge for the year	-	-	-	-
Deletions	-	-	-	-
At March 31, 2022	669	1,77,030	96	1,77,795
Net block				
At March 31, 2021	-	-	-	-
At March 31, 2022	-	-	-	-

CNERGYIS INFOTECH INDIA PRIVATE LIMITED

Notes to consolidated financial statements as at and for the year ended March 31, 2022

(All amount are in Indian rupees in thousand, except per share data or where mentioned separately)

23. Earnings per share

	March 31, 2022	March 31, 2021
Net Loss after tax as per statement of profit and loss account	(1,11,572)	43,868
Weighted average number of equity shares in calculating basic EPS	185	166
EPS-Basic	(602)	264

24. Unhedged foreign currency exposures

The Company's activities expose it to different financial risks, including the effects of changes in foreign currency exchange rates.

Category	Currency	March 31, 2022		March 31, 2021	
		Amount in thousand (in original currency)	Amount Rs.	Amount in thousand (in original currency)	Amount Rs.
a) Trade receivables					
USD		6	441	18	1,330
AED		259	5,273	243	4,827
b) Trade payables					
USD		28	1,604	-	-
AED		14	320	-	-
AUD		4	195	7	387

25. Earning in foreign currency

	March 31, 2022	March 31, 2021
Export of services	13,891	12,059
Total	13,891	12,059

26. Expenditure in foreign currency

	March 31, 2022	March 31, 2021
Professional fees	13,993	2,559
Business promotion	4,932	-
Travelling expense	1,400	-
	20,325	2,559

27. Related party disclosures

(i) Names of related parties and related party relationship

Subsidiaries

- 1) Cnergyis PTE Ltd
- 2) ZingHR Technologies Ltd (w.e.f 06.04.2021)
- 3) ZingHR Australia Pty Ltd

Key managerial personnel

- 1) Prasad Rajappan - Managing Director
- 2) Bindu Prasad - Director

Relatives of key managerial personnel

- 1) Prerna Prasad (w.e.f. 03.05.2021)
- 2) Pradyum Prasad (w.e.f. 03.05.2021)

Investee companies

Tata Capital Growth Fund II
Triton Fund-I
Better World Technologies Private limited

(ii) Transactions with of related parties

During the year, the Company entered into transactions with related parties. The value of such transactions, along with related balances as at March 31, are presented in the following table:

Transactions for the year	For the year ended	
	March 31, 2022	March 31, 2021
Remuneration*		
Prasad Rajappan	9,447	6,469
Bindu Prasad	4,168	3,099
Salary*		
Prerna Prasad	1,158	-
Pradyum Prasad	78	-
Expenses incurred by related parties on behalf of the company		
Reimbursements – Prasad Rajappan	1,125	533
Loan taken from related parties		
Loan - Prasad Rajappan	1,150	-
Loan Repaid to related parties		
Loan - Prasad Rajappan	896	-
Issue of equity shares		
Tata Capital Growth Fund II	5,00,000	
Triton Fund-I	6,410	

* excludes gratuity and leave-encashment which is computed for the Company as a whole and separate figures are not available

Balance as at the year end	March 31, 2022	March 31, 2021
Short-term borrowings		
Unsecured Loan – Prasad Rajappan	3,115	2,861

28. Contingent liabilities and commitments

	March 31, 2022	March 31, 2021
1. Contingent liabilities		
Service Tax demand from 2014-2017	7,896	-
2. Commitments	-	-

Unless otherwise stated, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable, further outflow of economic resources is not probable in either case.

29. Operating leases

The Company has taken premises on cancellable and non-cancellable operating lease. Payments of lease rentals charged to Statement of profit and loss amounted to Rs. 7,597 thousand (previous year: Rs. 8,864 thousand). Receipts of lease rentals recognised in the Statement of profit and loss amounted to Rs. Nil (previous year: Rs Nil).

Future minimum lease payments

The future minimum lease payments under non-cancellable leases were payable as follows -

	March 31, 2022	March 31, 2021
Less than one year	2,548	2,260
Between one and five years	-	2,548
More than five years	-	-
	2,548	4,808

30. Employee benefit plans:

a. Defined Contribution plans

Amount of Rs. 8,820 thousand (31 March 2021: Rs 6,984 thousand) contributed to provident and other fund is recognized as an expense and included in 'employee benefits expense' in the statement of profit and loss (Refer note 21)

b. Defined benefit plans

Gratuity cost recognised in the Statement of Profit and Loss of Rs 5,673 thousand (31 March 2021: Rs 17,107 thousand).

Principal actuarial assumptions at the balance sheet date:

	March 31, 2022	March 31, 2021
Discount Rate (%)	5.66%	6.26%
Estimate rate of return on plan assets	-	-
Salary escalation rate (%)	5% pa	5% pa
Retirement age	60 yrs	60 yrs
Attrition	34% pa	15% pa

Indian Assured

Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Ultimate	Ultimate

Mortality table

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The Company's liability on account of gratuity is funded.

Compensated leave absences recognised in the Statement of profit and loss is Rs.26,588 thousand (31 March 2021: Rs Nil).

31. Payment to Auditors' (excluding taxes)

	March 31, 2022	March 31, 2021
As auditor		
Statutory audit	950	225
Other services		
Reimbursement of expenses		

32. Corporate social responsibility

The Company has spent Rs. 504 thousand (previous year: Rs. Nil thousand) towards various scheme of Corporate Social Responsibility and created provision for unspent amount of INR Nil during the year as per the provisions of Section 135 of Companies Act, 2013 towards Corporate Social responsibility activities grouped under ' Other Expenses'

I. Gross amount required to be spent by the Company during the year: Rs.437 thousand(previous year: Rs. Nil thousand)

II. Amount spent during the year on:

Particular	Amount spent in Cash	Amount yet to be paid in Cash	Total Amount
Year ended 31 March 2022			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	504.00	-	504.00
Year ended 31 March 2021			
(i) Construction / Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

33. Dues to and from overseas parties

There are certain dues relating to trade receivables by the Company from its overseas subsidiaries and customers which are outstanding for more than nine months towards rendering of services as at 31 March 2022.. As per RBI's Master Circular on export of Goods and Services, services exported shall be realised and repatriated to India within nine months from the date of export. The Company proposes to regularize this delay as required under the Foreign Exchange Management Act, 1999. The management does not expect any penalties/ levies in this regard and hence no provision has been made there against.

34. Other statutory information

(i) The company do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.

(ii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

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

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

(v) The company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the group shall:

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vii) Information with regards to other matters specified in Schedule III to the Act is either Nil or not applicable to the Company for the year.

35. Material regrouping proforma adjustments:

During the year ended 31 March 2022, material errors have been identified in the classification and presentation of certain items reported in the standalone financial statements for the year ended 31 March 2021. These amounts have not been regrouped /reclassified to conform to the current year's classification. The following table shows the material amounts reported in the standalone financial statements for the year ended 31 March 2021 and the manner these amounts would have appeared in the standalone financial statements for the previous year if the current year's grouping / classification were applied. Consequently, corresponding figures are not comparable:

Particulars	March 31, 2021 (As per audited financial statements of previous year)	March 31, 2021 (As per current year's classification) (Proforma disclosures)	Amount
Cash Credit	Long -term borrowings	Short-term borrowings	6,014
Loan from related parties and others (repayable on demand)	Long -term borrowings	Short-term borrowings	17,738
Provision for gratuity	Long - term provision	Short-term provision	3,571
Payable to employees	Short-term provision	Other current liabilities	20,302
Accrued expenses	Other current liability	Trade Payable	6,750
Creditors for capital goods	Trade Payable	Other current liabilities	1,135
Investments in Mutual Funds	Non - current investment	Current investment	39,484
Advance tax	Other current assets	Long-term loans and advances	7,800
Advance to Supplier	Trade Payable	Loans and Advances	528
Prepaid expenses	Other current assets	Short-term loans and advances	5,412
Fixed deposit with banks	Other current assets	Other bank balances	57,975

36. Employees stock option compensation plan

a) The Company has the following share based payment arrangements for employees:

ESOP Plan	ESOP 2021
Type of arrangement	Employee stock option plan 2021
Date of grant	February 1, 2021
No. of options granted	9,420
Contractual life	4 years
Balance remaining contractual life	2 years 10 months
Exercise price (amount in Rs.)	10
Vesting conditions	Continued employment or contract with the company up to vesting date

Method used for accounting of Employee stock option compensation

For the purpose above, the estimated fair value of stock options at grant date has been calculated by an independent valuer using the e Black-Scholes option pricing model.

	ESOP 2021	No of ESOP	Fair Value	Exercise Price
Grant Date	01-02-21	9,420		
Vesting commencement date:	01-02-22	2,355	4,589	10
Vesting commencement date:	01-02-23	2,355	4,590	10
Vesting commencement date:	01-02-24	2,355	4,590	10
Vesting commencement date:	01-02-25	2,355	4,591	10

Movement in the options outstanding under the Scheme as at

	March 31, 2022	March 31, 2021	ES
(i) Outstanding at the beginning of the year	9,360	-	
(ii) Granted during the year	-	9,420	
(iii) Forfeited during the year	220	60	
(iv) Exercised during the year	-	-	
(v) Outstanding at the end of the year	9,140	9,360	
(vi) Exercisable at the end of the year	2,285	-	
(vii) Weighted average exercise price	10	10	

The Company has recognised the employee stock option expense of FY 2020-21 in current year amounted to Rs. 1,786 thousand.

The Guidance note on 'Accounting for employee share based payments' issued by the Institute of Chartered Accountants of India (ICAI) ('Guidance Note') establishes financial accounting and reporting principles for share based payment plans for employees. The Guidance Note applies to employee share based payments, the grant date in respect of which falls on or after 1 April 2005.

The Company follows the fair value method to account for compensation expense arising from issuance of stock options to the employees. The compensation cost is recorded in books based on the fair value of the options as determined by an independent valuer. The compensation cost is recorded over the vesting period of the stock options.

The key assumptions used to estimate the grant date fair value of options are as follows:

Date of Valuation	31-Jan-21
Share price at grant date (Rs.)	4,599
Exercise Price	10
Vesting period	1-4 years
Dividend Yield %	0%
Weighted average expected life of the share options	1 year from vesting
Rate of Interest	3.98%
Volatility	43.96%

37. Code on social security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. In view of this, impact if any of the change will be assessed and accounted in period of notification of the relevant provisions.

38. Additional information to be given as required under Schedule III to Companies act 2013 of enterprises consolidated as subsidiary

Name of the Entity	31-Mar-22		31-Mar-22		31-Mar-21		31-Mar-21	
	Net Assets i.e. total assets minus total liabilities as % of Consolidated net assets	Amount in Rs.	Share in profit or loss as % of Consolidated profit or loss	Amount in Rs.	Net Assets i.e. total assets minus total liabilities as % of Consolidated net assets	Amount in Rs.	Share in profit or loss as % of Consolidated profit or loss	Amount in Rs.
Holding Company								
Cnergyis Infotech India Private Limited	101%	5,58,604	95%	(1,06,358)	101%	1,39,934	102%	44,591.47
Subsidiary								
Cnergyis PTE Ltd.	0%	(1,232)	0%	(15)	-1%	(1,216.18)	0%	(209.80)
ZingHR Technologies Ltd	-1%	(5,707.40)	5%	(5,195)	0%	(551.17)	-1%	(552.17)
ZingHR Australia Pty Ltd	0%	56.87	0%	-	0%	56.87	-	-
Total		5,51,721		(1,11,568)		1,38,223		43,829
Adjustments								
Total	100%	5,51,721	100%	(1,11,568)	100%	1,38,223	100%	43,829

39. Extraordinary items

An amount of 13,557 thousand was reported as extraordinary item on account of recognition of past service cost under gratuity valuation by the Company in previous year.

40. Subsequent event

The Company has evaluated subsequent events from the balance sheet date through September 27, 2022, the date at which the financial statements were available to be issued and determined that there are no other material items to disclose.

41. Ratio Analysis

Name of the Ratio	Numerator	Denominator	FY 21- 22	FY 20- 21	% Variance	Reason for Variance
Current ratio (in times)	Current Assets	Current Liabilities	3.99	2.63	51.50%	Due to higher cash and cash equivalents and current investment as on 31st March 2022 as compared to 31st March 2021, the current asset ratio is high.
Debt-Equity ratio (in times)	Debt consists of borrowings and overdraft	Total equity	0.03	0.17	-85.66%	Total equity has increased on account of the issue of shares at a premium and Repayment of debt during the year.
Debt service coverage ratio (in times)	Earning for Debt service = Net Profit after taxes + Non-cash operating expenses + interest + Other non-cash adjustments	Debt service = Interest + Principal repayments	-5.36	3.89	-237.77%	Due to losses incurred during the current year, Debt service coverage ratio is low.
Return on Equity ratio (in %)	Profit /(Loss) after taxes	Average Shareholder's Equity	-32.35%	37.55%	-186.14%	Due to losses incurred during the current year, Return on Equity ratio is low.
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivables	3.96	4.31	-8.17%	
Trade payables turnover ratio (in times)	Other expenses+Staff Welfare	Average trade payables	6.15	2.88	113.34%	Due to higher expenses in FY 2021-22 as compared to FY 2020-21, Trade payables turnover ratio is high
Net Capital Turnover Ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities)	1.73	4.48	-61.41%	Due to an increase in current assets on account of higher cash and cash equivalents and current investment as on 31st March 2022 as compared to 31st March 2021, Net Capital Turnover Ratio is low.
Net Profit ratio (in %)	Profit /(Loss) after taxes	Revenue from operations	-20.00%	9.68%	-306.58%	Due to higher expenses in FY 2021-22 as compared to FY 2020-21, the Net Profit ratio is Low.
Return on Capital Employed (in %)	Profit/ (Loss) before interest and tax	Capital Employed = Tangible Net Worth + Deferred Tax Liability	-17.49%	53.19%	-132.88%	Due to higher operating expenses in FY 2021-22 as compared to FY 2020-21, Return on Capital Employed is low.
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	1.06%	3.61%	-70.53%	The company's funds were not invested for a major part of the year, hence the Return on Investment ratio is low.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors of
Cnergys Infotech India Private Limited
(CIN No :- U72400MH2000PTC125479)

Rajesh Shetty
Partner
Membership no.: 130778

Name : Prasad Rajappan
Managing Director
DIN No:0193302

Name : Bindu Prasad
Director
DIN No:0288650

Name : Shetul Thakrar
CFO

Place : Mumbai
Date: 27 September 2022

Place : Mumbai
Date: 27 September 2022