Innovsource Facilities Private Limited
Balance sheet as at March 31, 2023
All amounts are in ₹ million unless otherwise stated

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
	Assets			
1	**Non-current assets**			
	a. Property, plant and equipment	3	1.24	0.42
	b. Goodwill	4	13.59	13.59
	c. Other Intangible assets	5	0.59	0.76
	d. Financial assets	6	8.70	7.95
	e. Non-current tax assets (net)		5.57	6.26
	Total non-current assets		**29.69**	**28.98**
2	**Current assets**			
	a. Financial assets			
	i. Trade receivables	8	73.13	28.55
	ii. Cash and cash equivalents	9	16.33	32.70
	iii. Other bank balances	9.1	1.70	-
	iv. Other financial assets	6	11.52	8.81
	b. Other current assets	10	6.94	6.89
	Total current assets		**109.62**	**76.95**
	Total assets		**139.31**	**105.93**
	Equity and liabilities			
	Equity			
	a. Equity share capital	11	48.90	48.90
	b. Other equity	12	6.57	5.90
	Total Equity		**55.47**	**54.80**
	Liabilities			
1	**Non-current liabilities**			
	a. Financial liabilities			
	I. Borrowings	13	13.00	-
	a. Provisions	14	8.93	10.09
	b. Deferred tax liabilities (net)	7	0.55	0.59
	Total non- current liabilities		**22.48**	**10.68**
2	**Current liabilities**			
	a. Financial liabilities			
	I. Trade payables	15		
	- Total outstanding dues of micro and small enterprises		2.41	-
	- Total outstanding dues of creditors other than micro and small enterprises		16.87	11.09
	ii. Other financial liabilities	16	23.67	19.10
	b. Provisions	14	3.27	2.86
	c. Other current liabilities	17	15.14	7.40
	Total current liabilities		**61.36**	**40.45**
	Total liabilities		**83.84**	**51.13**
	Total equity and liabilities		**139.31**	**105.93**

Significant accounting policies 1-2
See accompanying notes to the Financial Statements 3 -34

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
FRN No. : 117366W/W-100018

Mukesh Jain
Partner
Membership No. 108262
Place : Mumbai
Date : June 25, 2023

DELOITTE HASKINS & SELLS LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Innovsource Facilities Private Limited

Sudhakar Balakrishnan
Director
DIN 00062956
Place : Bangalore
Date : June 23, 2023

Nilay Pratik
Director
DIN - 07692750
Place : Mumbai
Date : June 23, 2023

Innovsource Facilities Private Limited

Innovsource Facilities Private Limited
Statement of Profit and Loss for the year ended March 31, 2023
All amounts are in ₹ million unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**			
	Revenue from operations	18	316.72	296.51
	Other income	19	0.45	0.43
	Total income (I)		**317.17**	**296.94**
II	**Expenses**			
	Employee benefits expense	20	257.23	241.12
	Finance cost	21	0.16	-
	Depreciation and amortisation expense	22	0.31	0.21
	Other expenses	23	59.33	51.55
	Total expenses (II)		**317.03**	**292.88**
III	**Profit before tax (I - II)**		**0.14**	**4.06**
IV	**Tax expenses**	24		
	Current tax		-	-
	Deferred tax (credit) / charge		(0.16)	1.62
	Total tax expense (IV)		**(0.16)**	**1.62**
V	**Profit for the year (III- IV)**		**0.30**	**2.44**
VI	**Other comprehensive income (OCI)**			
	Items that will not be reclassified subsequently to Profit or loss			
	- Gain/(loss) on remeasurements of the defined benefit plans		0.49	(0.16)
	- Income Tax effect on above		(0.12)	0.04
VII	**Total comprehensive income for the year (V+VI)**		**0.67**	**2.32**
VIII	**Earnings per equity share**	25		
	Basic (in ₹)		0.06	0.50
	Diluted (in ₹)		0.06	0.50

Significant accounting policies 1-2
See accompanying notes to the Financial Statements 3 -34

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Mukesh Jain
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DELOITTE HASKINS & SELLS LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

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Date : June 23, 2023

Innovsource Facilities Private Limited

Innovsource Facilities Private Limited
Statement of Cash Flows for the year ended March 31, 2023
All amounts are in ₹ million unless otherwise stated

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flows from operating activities**		
	Profit for the year before tax	**0.14**	**4.06**
	Adjustments for:		
	Depreciation and amortisation expense	0.31	0.21
	Provision for doubtful trade and other receivables	1.68	-
	Interest income	(0.45)	(0.43)
	Operating profit before working capital changes	**1.68**	**3.84**
	Movement in working capital:		
	(Increase)/decrease in assets :		
	Trade receivables	(46.26)	18.62
	Other assets	(3.50)	10.96
	Increase/(decrease) in liabilities :		
	Trade and other payables	8.19	4.58
	Provisions and other liabilities	11.92	(46.20)
	Cash used in operations	**(27.97)**	**(8.20)**
	Income tax refund received (net)	1.05	3.53
	Net cash used in operating activities (A)	**(26.92)**	**(4.67)**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(0.96)	(0.13)
	Bank deposits having original maturity of more than three months	(1.70)	-
	Interest income	0.21	0.43
	Net cash (used in)/generated from investing activities (B)	**(2.45)**	**0.30**
C	**Cash flows from financing activities**		
	Proceeds from long term borrowings	13.00	-
	Net cash generated from financing activities	**13.00**	**-**
	Net decrease in cash and cash equivalents (A+B+C)	**(16.37)**	**(4.37)**
	Cash and cash equivalents at the beginning of the year	32.70	37.07
	Cash and cash equivalents at the end of the year (refer note 9)	**16.33**	**32.70**

Significant accounting policies 1-2
See accompanying notes to the Financial Statements 3 -34

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DELOITTE HASKINS & SELLS LLP MUMBAI CHARTERED ACCOUNTANTS

Innovsource Facilities Private Limited

Innovsource Facilities Private Limited
Statement of Changes in Equity for the year ended March 31, 2023
All amounts are in ₹ million unless otherwise stated

a. Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	48.90	48.90
Shares issued during the year	-	-
Balance at the end of the year	**48.90**	**48.90**

b. Other Equity

Particulars	Other Equity	Total
	Retained earnings	
Balance as at April 1, 2021	**3.58**	3.58
Profit for the year	2.44	2.44
Loss on remeasurements of the defined benefit plans (net of taxes)	(0.12)	(0.12)
Balance as at March 31, 2022	**5.90**	**5.90**
Balance as at April 1, 2022	**5.90**	**5.90**
Profit for the period	0.30	0.30
Gain on remeasurement of the defined benefit plans (net of taxes)	0.37	0.37
Balance as at March 31, 2023	**6.57**	**6.57**

Note: Refer Note 12 (Other equity) for nature of reserves

Significant accounting policies 1-2
See accompanying notes to the Financial Statements 3 -34

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Innovsource Facilities Private Limited

1. Corporate Information

Innovsource Facilities Private Limited (the "Company" or "IFPL") was originally incorporated as a private limited Company on February 28, 2017, with Company Identification No: U74999MH2017PTC291767 under the Companies Act, 2013 (the "Act"). The Company is engaged in business of providing management advisory services and staffing services. The Company is a subsidiary of FirstMeridian Business Services Limited (Formerly known as FirstMeridian Business Services Private Limited) with effect from June 28, 2018. The registered office of the Company is located at 501, Jollyboard Tower 1, I-think Techno Campus, Kanjurmarg East, Mumbai – 400042. The name of the Ultimate Holding Company is Manpower Solutions Limited (Mauritius).

The Financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on June 23, 2023.

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment.

The Financial Statements of the Company comprises of the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023 and the Summary of Significant Accounting Policies and explanatory notes (collectively, the 'Financial Statements).

The financial statements are presented in Indian Rupees "INR" or "₹" and all values are stated as INR or ₹ million, except when otherwise indicated.

a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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Innovsource Facilities Private Limited

<u>A liability is current when:</u>

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

All other liabilities are classified as non-current.

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

b) Operating cycle

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

c) Basis of measurement

Basis of accounting

The Company maintains its accounts on accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS. Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

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

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

iii. Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Financial instruments
- Share-based payment arrangements

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Innovsource Facilities Private Limited

d) Use of estimates and judgements

In preparing these Financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the year in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:

i. Determination of useful lives of property, plant and equipment and intangibles; (Note 2.2(a))
ii. Impairment test of non-financial assets (Note 2.2(c))
iii. Recognition of deferred tax assets; (Note 2.2 (k))
iv. Recognition and measurement of provisions and contingencies; (Note 2.2(f))
v. Fair value of financial instruments (Note 2.2 (d))
vi. Impairment of financial assets (Note 2.2 (d))
vii. Measurement of defined benefit obligations; (Note 2.2(i))

2.2 Significant accounting policies

a) Property plant and equipment

Recognition and measurement:

Items of property, plant and equipment, other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in Statement of Profit and Loss when the item is derecognized.

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

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Innovsource Facilities Private Limited

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting year in which they are incurred.

Depreciation:

Depreciation on property, plant and equipment, other than leasehold improvements, is provided under the straight-line method in the manner prescribed under Schedule II of the Act, except in the following case where the life is different than as indicated in Schedule II of the Act which is based on the technical evaluation of useful life carried out by the management:

Particulars	**Useful life**
Office Equipment	3 - 5 years

Leasehold improvements are depreciated over the tenure of lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b) Intangible assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or company's of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Statement of Profit and Loss.

Other Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives and is recognised in Statement of Profit and Loss.

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Innovsource Facilities Private Limited

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

c) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 (or CGU).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

d) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts.

Financial assets

Initial recognition and measurement

Financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through Profit and Loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in following categories:

- Amortized cost,
- Fair value through profit (FVTPL)
- Fair value through Other Comprehensive Income (FVTOCI)

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Innovsource Facilities Private Limited

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortized cost:

A financial instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Fair value through profit and loss ('FVTPL'):

All financial assets that do not meet the criteria for amortised cost or fair value through Other Comprehensive Income are measured at fair value through Profit or Loss with all changes recognized in the Statement of Profit and Loss. Interest (basis EIR method) income from financial assets at fair value through Profit or Loss is recognised in the Statement of Profit and Loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Fair value through Other Comprehensive Income ('FVOCI')

Financial assets are measured at FVOCI if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Dividends, Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in Other Comprehensive Income.

Investment in subsidiaries

Subsidiaries are those entities which the Company has the power to control if the (a) the Company has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns.

Investment in subsidiary is shown at cost less impairment. When an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the Statement of Profit and Loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

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Innovsource Facilities Private Limited

Fair value through profit and loss ('FVTPL'):

All financial assets that do not meet the criteria for amortised cost or fair value through Other Comprehensive Income are measured at fair value through profit or loss with all changes recognized in the Statement of Profit and Loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Fair value through Other Comprehensive Income ('FVOCI')

Financial assets are measured at FVOCI if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Dividends, Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in Other Comprehensive Income.

Derecognition

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

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

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognized in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to Profit or Loss on de-recognition.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and debt instruments measured at FVOCI.

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Innovsource Facilities Private Limited

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL):

A financial liability is classified as Fair Value through Profit or Loss (FVTPL) if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

Financial Liabilities at amortized cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

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

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Innovsource Facilities Private Limited

e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet and Statement of Cash Flows includes cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the enterprise has a present obligation (legal or constructive) as a result of a past event and 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. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset 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 entity. Contingent assets are not recognized till the realization of the income is virtually certain. However the same are disclosed in the Financial Statement where an inflow of economic benefit is probable.

g) Revenue recognition

The Company derives revenue primarily from Other HR Services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over service to a customer. The method for recognising revenues and costs depends on the nature of the services rendered.

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

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

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).

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Innovsource Facilities Private Limited

a) Other HR Services
Revenue from permanent recruitment services is recognized in accordance with the agreed terms as the related services are rendered.

h) Other income

Interest income

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options); expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in the Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

i) Employee benefits

(i) Short-term Employee benefits

Liabilities for wages and salaries, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short - term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(ii) Post-Employment Benefits

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognized as an expense in the year in which services are rendered by the employee.

Defined Benefit Plans:

The Company's gratuity benefit scheme is a defined benefit plan. The liability is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised acturial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI).

The Company presents component of defined benefit cost on net basis after considering right to reimbursement related to such defined benefits.

j) Leases

As a Lessee:

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contact involves the use of an identified asset
ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
iii. the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the Statement of financial position. The right-of-use assets are initially recognized at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right- of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

k) Taxation

Income tax expense /income comprises current tax expense /income and deferred tax expense /income. It is recognized in Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

Current tax

Current tax comprises the expected tax payable or recoverable on the taxable Profit or Loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognized amounts; and

- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax assets and liabilities are offset only if:

i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

l) Foreign currency

Foreign currency transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognized in Profit or Loss in the year in which they arise.

m) Dividend

The Company recognizes a liability for any dividend declared but not distributed at the end of the reporting year, when the distribution is authorized and the distribution is no longer at the discretion of the Company on or before the end of the reporting year.

n) Earnings per share:

Basic earnings per share is computed by dividing Profit or Loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

o) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows for the year are classified by operating, investing and financing activities.

p) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company for the purpose of performance assessment and to make decisions for resource allocation.

The reporting of segment information in the Financial Statements is the same as provided to the management for the purpose of performance assessment and resource allocation to the segments.

Segment accounting policies are in line with accounting policies of the Company.

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Innovsource Facilities Private Limited

q) Exceptional Items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are material and non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of the Financial Statements.

2.3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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Innovsource Facilities Private Limited

3 Property, plant and equipment

	Gross carrying amount (at cost)				Depreciation				Net Carrying amount
Particulars	**As at April 01, 2022**	**Additions**	**Disposals**	**As at March 31, 2023**	**As at April 01, 2022**	**For the year**	**Disposals**	**As at March 31, 2023**	**As at March 31, 2023**
Office equipment	0.56	0.96	-	1.52	0.14	0.14	-	0.28	1.24
Total	**0.56**	**0.96**	**-**	**1.52**	**0.14**	**0.14**	**-**	**0.28**	**1.24**

	Gross carrying amount (at cost)				Depreciation				Net Carrying amount
Particulars	**As at April 01, 2021**	**Additions**	**Disposals**	**As at March 31, 2022**	**As at April 01, 2021**	**For the year**	**Disposals**	**As at March 31, 2022**	**As at March 31, 2022**
Office equipment	0.42	0.14	-	0.56	0.05	0.09	-	0.14	0.42
Total	**0.42**	**0.14**	**-**	**0.56**	**0.05**	**0.09**	**-**	**0.14**	**0.42**

3.1 There are no capital-work-in-progress during the year and therefore Schedule III additional disclosures for ageing and completion schedule of Capital work-in-progress is not applicable.

3.2 The Company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

3.3 The Company has not revalued its property, plant and equipment during the year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

3.4 There are no impairment losses recognised during the year.

4 Goodwill

	Gross carrying amount(at cost)			Impairment Loss			Net Carrying amount
Particulars	**As at April 01, 2022**	**Recognised on acquisition of business**	**As at March 31, 2023**	**As at April 01, 2022**	**For the period**	**As at March 31, 2023**	**As at March 31, 2023**
Goodwill	13.59	-	13.59	-	-	-	13.59
Total	**13.59**	**-**	**13.59**	**-**	**-**	**-**	**13.59**

	Gross carrying amount(at cost)			Impairment Loss			Net Carrying amount
Particulars	**As at April 01, 2021**	**Recognised on acquisition of business**	**As at March 31, 2022**	**As at April 01, 2021**	**For the year**	**As at March 31, 2022**	**As at March 31, 2022**
Goodwill	13.59	-	13.59	-	-	-	13.59
Total	**13.59**	**-**	**13.59**	**-**	**-**	**-**	**13.59**

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4.1 Intangible assets - Goodwill

Impairment

Carrying amount of goodwill which is allocated to the only division of 'Other HR Services' is ₹ 13.59 million (March 31, 2022 is ₹ 13.59 million). This goodwill is acquired on account of business combination.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the only cash generating units (CGU) comprising of Other HR Services, which benefit from the synergies of the acquisition.

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. We believe 5 years to be most appropriate time scale over which to review and consider annual performance before applying a fix terminal value multiple to year end cash flow.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts approved by management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Key assumptions used in the value-in-use calculations

Assumptions	How Determined
Budgeted EBITDA growth rate	Budgeted EBITDA has been based on past experience adjusted for the following: - Revenue in the Staffing service is expected to grow on account of planned growth plan and industry expansion in general. Revenue and EBIDTA are factored by focused approach towards network expansion, operational efficiencies and inter group customer relationship synergies.
Terminal value growth rate	Long-term growth rate used for the purpose of calculation of terminal value has been determined by taking into account nature of business, long term inflation expectation and long term GDP expectation for the Indian economy.
Pre-tax risk adjusted discount rate	The discount rate applied to the cash flows of the Company's operations is generally based on the risk free rate for ten year bonds issued by the government in India. These rates are adjusted for a risk premium to reflect the systematic risk of the Company.

These assumptions are reviewed annually as part of management's estimate and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

The estimated receivable amount of CGU exceeds its carrying amount for the reporting period and therefore no impairment was recognised.

The Company has also performed sensitivity analysis calculations on the projections used and discount rate applied. Given the significant headroom that exists, and the results of the sensitivity analysis performed, it is concluded that there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

5 Other intangible assets

	Gross carrying amount(at cost)				Amortization				Net Carrying amount
Particulars	**As at April 01, 2022**	**Additions**	**Disposals**	**As at March 31, 2023**	**As at April 01, 2022**	**For the period**	**Disposals**	**As at March 31, 2023**	**As at March 31, 2023**
Right to use trademark	1.30	-	-	1.30	0.54	0.17		0.71	0.59
Total	**1.30**	**-**	**-**	**1.30**	**0.54**	**0.17**	**-**	**0.71**	**0.59**

	Gross carrying amount(at cost)				Amortization				Net Carrying amount
Particulars	**As at April 01, 2021**	**Additions**	**Disposals**	**As at March 31, 2022**	**As at April 01, 2021**	**For the year**	**Disposals**	**As at March 31, 2022**	**As at March 31, 2022**
Right to use trademark	1.30	-	-	1.30	0.42	0.12	-	0.54	0.76
Total	**1.30**	**-**	**-**	**1.30**	**0.42**	**0.12**	**-**	**0.54**	**0.76**

5.1 There are no intangible assets under development during the year and therefore Schedule III additional disclosures for ageing and completion schedule of intangible assets under development is not applicable.

5.2 The Company has not revalued its intangible assets during the year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

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6 Financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Deposits for premises (considered good)	0.91	1.16
Right towards reimbursable gratuity and compensated absence	7.79	6.79
Total	**8.70**	**7.95**
Current		
Deposits for premises (considered good)	1.12	-
Advance to employees (unsecured, considered good)	1.22	0.67
Unbilled revenue	9.13	8.13
Accrued interest on fixed deposit	0.05	0.01
Total	**11.52**	**8.81**

6.1 During the year, there were no loans or advances in the nature of loans granted to promoters, directors, key managerial personnel and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person by the Company.

6.2 During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) for the purpose of lending, investing or providing guarantee or security.

7 Net deferred tax asset/(liabilities)

7.1 Movement in deferred tax balances

Particulars	For the year ended March 31, 2023			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Provision for employee benefits (net of right towards reimbursable gratuity and compensated absence)	2.23	(0.28)	(0.12)	1.83
Property, plant and equipment	(3.52)	0.02	-	(3.50)
Provision for doubtful debts	0.70	0.42	-	1.12
Net deferred tax asset/(liabilities)	**(0.59)**	**0.16**	**(0.12)**	**(0.55)**

7.2 Movement in deferred tax balances

Particulars	For the year ended March 31, 2022			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Provision for employee benefits (net of right towards reimbursable gratuity and compensated absence)	2.44	(0.25)	0.04	2.23
Property, plant and equipment	(3.53)	0.01	-	(3.52)
Provision for doubtful debts	0.80	(0.10)	-	0.70
Unabsorbed losses	1.28	(1.28)	-	-
Net deferred tax asset/(liabilities)	**0.99**	**(1.62)**	**0.04**	**(0.59)**

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8 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	73.13	28.55
Unsecured, credit impaired	4.45	2.77
	77.58	**31.32**
Less: Allowance for doubtful debts (expected credit loss allowances)	(4.45)	(2.77)
Total	**73.13**	**28.55**

8.1 There are no dues from directors or other officers of the Company either severally or jointly with any other person, due from firms or private companies respectively in which any director is a partner, a director or a member other than as disclosed in the related party transactions (refer note 26)

8.2 The average credit period is upto 60 days. No interest is charged on trade receivables.

8.3 Movement of Allowance of doubtful receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of allowance of doubtful receivables	2.77	2.77
Allowance for doubtful debts (net)	1.68	-
Closing balance of allowance of doubtful receivables	**4.45**	**2.77**

8.4 Trade receivables ageing

As at March 31, 2023

Particulars	Less than 6 months	6 months- 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Undisputed:						
Considered good	59.58	6.45	7.10	-	-	**73.13**
Credit impaired	-	-	2.45	-	2.00	**4.45**
Disputed:						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross carrying amount	**59.58**	**6.45**	**9.55**	**-**	**2.00**	**77.58**

As at March 31, 2022

Particulars	Less than 6 months	6 months- 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Undisputed:						
Considered good	27.67	0.88	-	-	-	**28.55**
Credit impaired	-	0.56	0.11	0.23	1.87	**2.77**
Disputed:						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross carrying amount	**27.67**	**1.44**	**0.11**	**0.23**	**1.87**	**31.32**

For the purposes of presentation of the ageing schedule, the invoice date has been considered as the due date by the Company. Accordingly, there are no "not due" invoices as at year end.

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9 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current account	5.50	6.68
- In deposit accounts - original maturity of three months or less	10.83	26.02
Total	**16.33**	**32.70**

There are no repatriation restrictions with regard to cash and cash equivalents as at the year end.

9.1 Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than three months and less than 12 months	1.70	-
Total	**1.70**	**-**

10 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses (unsecured, considered good)	1.80	1.00
Balances with government authorities	4.97	5.23
Advance to suppliers (unsecured, considered good)	0.17	0.66
Total	**6.94**	**6.89**

11 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
51,00,000 (March 31, 2022: 51,00,000) Equity shares of ₹ 10/- each	51.00	51.00
Issued and subscribed capital comprises:		
48,90,000 (March 31, 2022: 48,90,000 Equity shares of ₹ 10/- each Fully paid up	48.90	48.90
Total	**48.90**	**48.90**

11.1 Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares				
At the commencement of the year Fully paid up	48,90,000	48.90	48,90,000	48.90
Movement during the year				
Issued during the year (fully paid up)	-	-	-	-
At the end of the year	**48,90,000**	**48.90**	**48,90,000**	**48.90**

11.2 Terms right attached to the equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11.3 The detail of Shareholders holding more than 5% shares

Particulars	As at March 31, 2023	As at March 31, 2022
Fully paid equity shares		
FirstMeridian Business Services Limited (including nominee)	48,90,000	48,90,000
% Holding	100.00%	100.00%

11.4 Shareholding of Promoters

Shares held by promoters as at March 31, 2023

Promoter name	No of shares	% of total shares	% change during the year ended March 31, 2023
FirstMeridian Business Services Limited (including nominee)	48,90,000	100.00%	-
Total	**48,90,000**		

Shares held by promoters as at March 31, 2022

Promoter name	No of shares	% of total shares	% change during the year ended March 31, 2022
FirstMeridian Business Services Limited (including nominee)	48,90,000	100.00%	-
Total	**48,90,000**		

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12 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	6.57	5.90
Total	**6.57**	**5.90**

12.1 Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of year	**5.90**	**3.58**
Profit attributable to owners of the Company	0.30	2.44
Gain/(loss) on remeasurements of the defined benefit plans (net of taxes)	0.37	(0.12)
Balance at the end of the year	**6.57**	**5.90**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013. Thus the amounts reported above are not distributable in entirety. It includes impact of actuarial gains and losses on the funded obligation due to change in financial assumptions, change in demographic assumption, experience adjustments, etc. recognised through other comprehensive income.

12.2 The Company is compliant with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017).

13 Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Term loans from related parties (refer note no 26.2)	13.00	-
Total	**13.00**	-

13.1 Term loan is taken from related party with interest rate at 9 % per annum during the financial year 2022-23 for a term of three years (refer note 26.2 Related party disclosure)

13.2 The Company has not received any fund during the reporting year from any person or entity, including foreign for the purpose of lending, investing or providing guarantee or security.

13.3 During the reporting year, the Company was not required to file any charge or satisfaction of charge to Registrar of Companies.

13.4 During the reporting year, the Company has not been declared wilful defaulter by the banks and has no dues outstanding to banks.

14 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non current:		
Provision for gratuity (refer note 29)	8.93	10.09
	8.93	**10.09**
Current		
Provision for compensated absence	3.27	2.86
Total	**3.27**	**2.86**

15 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	2.41	-
Total outstanding dues of creditors other than micro and small enterprises	16.87	11.09
	19.28	**11.09**

15.1 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.41	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, 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	-	-

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Innovsource Facilities Private Limited *

15.2 The average credit period of trade payables is 30-45 days. No interest is charged by vendors if paid within the credit period.

15.3 Trade payable ageing schedule

As at March 31, 2023

Particulars	Unbilled dues	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Disputed:						
Micro, Small and Medium Enterprises (MSME)	-	-	-	-	-	-
Others	-	-	-	-	-	-
Others:						
Micro, Small and Medium Enterprises (MSME)	-	2.35	0.06	-	-	**2.41**
Others	1.54	14.45	0.34	0.32	0.22	**16.87**

As at March 31, 2022

Particulars	Unbilled dues	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Disputed:						
Micro, Small and Medium Enterprises (MSME)	-	-	-	-	-	-
Others	-	-	-	-	-	-
Others:						
Micro, Small and Medium Enterprises (MSME)	-	-	-	-	-	-
Others	1.23	8.35	1.15	0.14	0.22	**11.09**

For the purposes of presentation of the ageing schedule, the invoice date has been considered as the due date by the Company. Accordingly, there are no "not due" invoices.

16 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Accrued compensation to employees	23.10	17.08
Interest accrued but not due	0.14	-
Others	0.43	2.02
Total	**23.67**	**19.10**

17 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	15.14	7.40
Total	**15.14**	**7.40**

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Innovsource Facilities Private Limited
Notes to the Financial statement for the year ended March 31, 2023
All amounts are in ₹ million unless otherwise stated

18 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services	316.72	296.51
Total	**316.72**	**296.51**

19 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on:		
- Bank deposits (at amortised cost)	0.21	0.43
- Income tax refund	0.24	-
Total	**0.45**	**0.43**

20 Employee benefits expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	229.82	214.75
Contribution to provident and other funds (refer note 27(i))	25.79	25.24
Gratuity (refer note 27(ii))	1.03	0.96
Staff welfare expenses	0.59	0.17
Total	**257.23**	**241.12**

21 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowing	0.16	-
Total	**0.16**	**-**

22 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	0.14	0.09
Amortisation of intangible assets	0.17	0.12
Total	**0.31**	**0.21**

23 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Auditor's remuneration (refer note 23.1)	0.74	0.70
Communication expenses	0.03	0.02
Lodging and boarding expenses	0.04	0.03
Rent	1.35	0.10
Provision for allowance for doubtful trade and other receivables	1.68	-
Professional and consultancy fees	2.20	5.17
Travelling and conveyance	2.37	1.75
Business support fee	6.04	10.80
Consumables	12.27	12.61
Subcontracting charges	30.29	19.79
Miscellaneous expenses	2.32	0.58
Total	**59.33**	**51.55**

23.1 Payments to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) For Statutory audit	0.60	0.60
b) For Tax audit	0.10	0.10
c) For Other services*	0.04	-
Total	**0.74**	**0.70**

*Includes reimbursement of expenses

23.2 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

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Innovsource Facilities Private Limited

24 Tax Expense

24.1 Income tax expense in the Statement of Profit and Loss consists of

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax (credit)/charge:		
In respect of the current year (refer note 7)	(0.16)	1.62
	(0.16)	**1.62**
Total income tax expense recognised during the year	**(0.16)**	**1.62**

24.2 Income tax reconciliation

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	0.14	4.06
Income tax rate (including surcharge)	25.17%	25.17%
Income tax expense calculated (including surcharge)	**0.04**	**1.02**
Effect of expenses not deductible in determining taxable profits	0.56	0.60
80JJAA tax incentives	(0.76)	-
Income tax expense recognised in Statement of Profit and Loss	**(0.16)**	**1.62**

24.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Arising on (expense)/income recognised in Other Comprehensive Income		
(Loss)/gain on remeasurement of the defined benefit plans	(0.12)	0.04
Income tax (expense)/income recognised in Other Comprehensive Income	**(0.12)**	**0.04**

24.4 During the year, there were no tax assessments under the Income Tax Act, 1961 conducted on the Company. Further the Company has not surrendered or disclosed any transaction as income during each reporting period.

24.5 Deferred tax asset/(liabilities)

Particulars	As at March 31, 2023	As at March 31, 2022
Carry forward depreciation	-	0.60

25 Earnings per equity share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per equity share are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earning per equity share has been computed as under:		
Profit for the year attributable to the owners of the Company	0.30	2.44
Weighted average number of equity shares outstanding during the year (in million)	4.89	4.89
Face value per equity share (₹)	10.00	10.00
Earnings per equity share (₹) - Basic	**0.06**	**0.50**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Diluted earning per equity share has been computed as under:		
Profit for the year attributable to the owners of the Company	0.30	2.44
Weighted average number of equity shares as adjusted for the effects of all dilutive potential equity shares outstanding during the year (in million)	4.89	4.89
Face value per equity share (₹)	10.00	10.00
Earnings per equity share (₹) - Diluted	**0.06**	**0.50**

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Innovsource Facilities Private Limited

26 Related parties transactions

26.1 Name of the related parties and related party relationships

Particulars	Relationship
Manpower Solutions Limited (Mauritius)	Ultimate Holding Company
FirstMeridian Business Services Limited (Formerly known as FirstMeridian Business Services Private Limited)	Holding Company
Innovsource Services Private Limited	Fellow Subsidiary
V5 Global Services Private Limited	Fellow Subsidiary
CBSI India Private Limited	Fellow subsidiary
Affluent Global Services Private Limited	Fellow Subsidiary
RLabs Enterprise Services Limited (w.e.f. February 2, 2022)	Fellow Subsidiary
Key Management Personnel	
Sudhakar Balakrishnan	Director
Nilay Pratik	Director
Pooja Prabhakar (w.e.f. July 05, 2022)	Independent Director

26.2 Details of related party transactions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services		
Innovsource Services Private Limited	33.69	30.68
V5 Global Services Private Limited	3.46	1.01
Affluent Global Services Private Limited	0.39	-
FirstMeridian Business Services Limited	1.07	0.59
RLabs Enterprise Services Limited	0.94	-
Business support fee		
Innovsource Services Private Limited	6.04	10.80
FirstMeridian Business Services Limited	0.00	-
Salary and wages - Share Based Payments (Net off Forfeiture)		
FirstMeridian Business Services Limited	0.02	0.01
Proceeds from borrowings		
Innovsource Services Private Limited	13.00	-
Interest on borrowings		
Innovsource Services Private Limited	0.16	-

26.3 Details of related party closing balances

Particulars	As at March 31,2023	As at March 31, 2022
Trade receivable		
Innovsource Services Private Limited	0.46	2.00
V5 Global Services Private Limited	0.38	0.10
Affluent Global Services Private Limited	0.10	-
FirstMeridian Business Services Limited	0.11	0.08
RLABS entreprises Private Limited	0.25	
Unbilled Revenue		
Innovsource Services Private Limited	3.02	1.74
FirstMeridian Business Services Limited	-	0.03
Trade payable		
Innovsource Services Private Limited	10.29	3.17
FirstMeridian Business Services Limited	0.03	0.01
Loan from related party (Unsecured)		
Innovsource Services Private Limited	13.00	-
Accrued interest but not due		
Innovsource Services Private Limited	0.14	-

26.4 There was no remuneration paid to directors and other key managerial personnel for the year ended March 31, 2023.

DELOITTE HASKINS & SELLS LLP * CHARTERED ACCOUNTANTS * MUMBAI

Innovsource Facilities Private Limited

27 Segment information

The Chief Executive Officer and Managing Director of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segments.
The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by service offerings. Accordingly, segment information has been presented for service offerings. The CODM has identify "Other HR services" as operating segment. All the activities of the Company are revolving around other HR services.

27.1 Geographical information

The Company presently caters to only domestic market i.e. India and hence there is no revenue from external customers outside India nor any of its non-current asset is located outside India.

28 Contingent liability and contingencies

Particulars	As at March 31, 2023	As at March 31, 2022
Claims not acknowledged as debts (refer note 28.1)	0.12	0.20

28.1 Provident fund

On February 28, 2019, the Hon'ble Supreme Court of India delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. The Company has been legally advised that there are various interpretative challenges on the application of the judgment retrospectively. The management do not expect any outflow of resources as there was no demand raised for the above matter as a part of audit performed by Regional Provident Fund Authority for the fellow subsidiary of the Company.

28.2 Claims not acknowledged as debts principally relates to cases lodged by employees against the Company. It also includes cases lodged by employees against the erstwhile Holding Company relating to staffing business, which are now a contingent liability for the Company in lieu of the purchase of staffing business from the erstwhile Holding Company. The management believes, based on issues involved, that no material liabilities will accrue in respect of these cases and accordingly no cash outflow is expected and the management believes that based on the nature of cases, the claims are not expected to be material.

29 Employee benefits

i) Defined contribution plan

The Company's contribution to Provident fund and other funds (excluding ESIC) aggregating is ₹ 20.15 million for the year ended March 31, 2023 (March 31, 2022 is ₹ 19.43 million) has been recognised in the statement of profit or loss under the head employee benefits expense.

ii) Defined benefit plans:

Gratuity

The Company's gratuity scheme for core employees is administered through a trust with the Life Insurance Corporation of India. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employee's do not contribute to the plan. The Company has determined that, in accordance with the terms and conditions of gratuity plan and in accordance with statutory requirements (including minimum funding requirements) of the plan, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations.

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

(1) Salary risk

All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation.

(2) Interest rate risk

The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase.

(3). Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31,2023	March 31, 2022
(i) Financial assumptions		
Discount rate (p.a.) - Core	7.14%	6.16%
Discount rate (p.a.) - Associate	7.13%	5.87%
Salary escalation rate (p.a.) - Core	3.70%	4.71%
Salary escalation rate (p.a.) - Associate	3.70%	4.71%
Rate of employee turnover (p.a.) - Core	For service period 4 years and below is 26.00% p.a. & for service period 4 years and above is 13.00% p.a	For service period 4 years and below is 25.00% p.a. & for service period 4 years and above is 12.00% p.a
Rate of employee turnover (p.a.) - Associate	For service period 4 years and below is 28.00% p.a. & for service period 4 years and above is 14.00% p.a	For service period 4 years and below is 25.00% p.a. & for service period 4 years and above is 15.00% p.a
(ii) Demographic assumptions		
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

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Innovsource Facilities Private Limited *

Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	2.61	6.03
Net interest expense	0.48	2.00
Components of defined benefit costs before netting off reimbursement right for associate employees	**3.09**	**8.03**
Amount netted off in the Statement of Profit and Loss towards gratuity and related reimbursement right for associate employees	(2.04)	(7.09)
Components of defined benefit costs after netting off reimbursement right for associate employees recognised in Statemnet of Profit and Loss	**1.05**	**0.94**
Remeasurement on the net defined benefit liability		
Actuarial loss / (gain) arising form changes in financial assumptions	(1.20)	1.29
Actuarial loss arising form changes in demographic assumptions	(0.20)	0.58
Actuarial gains arising form experience adjustments	1.86	(28.90)
Return on plan assets (excluding amount included in net interest expense)	-	(0.04)
Components of defined benefit costs before netting off reimbursement right for associate employees	**0.46**	**(27.07)**
Amount netted off in the Statement of Profit and Loss towards gratuity and related reimbursement right for associate employees	(0.96)	27.23
Components of defined benefit costs recognised in Other Comprehensive (income)/expense	**(0.50)**	**0.16**

Notes:
i) The Current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

ii) The remeasurement of the net define benefits liability is included in other comprehensive income for the year.

iii) Maturity Profile of defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Average duration of the defined benefit obligation (in years)-Core Employees	5.89	7.14
Average duration of the defined benefit obligation (in years)-Associates Employees	6.60	6.21

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Funded:		
Present value of benefit obligation at the end of the year	2.34	4.15
Fair value of plan assets at the end of the year	(0.38)	(0.26)
Funded status -Surplus	**1.96**	**3.89**
Unfunded:		
Present value of benefit obligation at the end of the year	6.98	6.21
Fair value of plan assets at the end of the year	-	-
Unfunded status -Surplus	**6.98**	**6.21**

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Innovsource Facilities Private Limited *

Movement in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening of defined benefit obligation	10.36	32.41
Current service cost	2.61	6.03
Past service cost		-
Interest on defined benefit obligation	0.48	2.00
Remeasurements due to:		
Actuarial loss /(gain) arising from change in financial assumptions	(1.20)	1.29
Actuarial loss arising from change in demographic assumptions	(0.20)	0.58
Actuarial gain arising on account of experience changes	1.86	(28.90)
Benefits paid	(4.60)	(3.05)
Transfer adjustment	-	-
Closing of defined benefit obligation	**9.31**	**10.36**

Movement in the fair value of the plan assets are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of plan assets	0.26	1.32
Employer contribution	0.20	0.30
Interest on plan assets	0.02	0.05
Remeasurement due to return on plan assets , excluding interest income	0.00	(0.01)
Benefits paid	(0.10)	(1.40)
Transfer adjustment	-	-
Closing of defined benefit obligation	**0.38**	**0.26**

Major category of plan assets (as a percentage of total plan assets)

Particulars	As at March 31, 2023	As at March 31, 2022
Trust managed/Insurer managed funds	100%	100%
Total	**100%**	**100%**

Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year, while holding all other assumptions constant.
The following table summarizes the impact on the reported defined benefit obligation at the end of the year arising on account of an increase or decrease in the reported assumption by 1%.

Core Employees

Principal assumption	Impact on defined benefit	
	As at March 31, 2023	As at March 31, 2022
a) Discount rate		
Increase by 1%	(0.13)	(0.24)
Decrease by 1%	0.14	0.28
b) Salary escalation rate		
Increase by 1%	0.14	0.28
Decrease by 1%	(0.13)	(0.25)
c) Employee turnover rate		
Increase by 25%	(0.11)	(0.06)
Decrease by 25%	0.10	0.06

Associate Employees

Principal assumption	Impact on defined benefit	
	As at March 31, 2023	As at March 31, 2022
a) Discount rate		
Increase by 1%	(0.33)	(0.32)
Decrease by 1%	0.37	0.35
b) Salary escalation rate		
Increase by 1%	0.38	0.35
Decrease by 1%	(0.35)	(0.32)
c) Employee turnover rate		
Increase by 25%	(0.10)	(0.18)
Decrease by 25%	0.08	0.19

i) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

ii). Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the year, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

iii) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

Maturity profile of defined benefit obligation:
Maturity analysis of the benefit payments: from the fund
Projected benefits payable in future years from the date of reporting:

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	1.30	1.27
2-5 years	4.82	4.97
6-10 years	4.39	4.54
11 years and above	4.06	4.79

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Innovsource Facilities Private Limited

30 Financial instruments

30.1 Financial instruments by category

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

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets measured at amortised cost		
Non-Current		
Others financial assets	8.70	7.95
Current		
Cash and cash equivalents	16.33	32.70
Other bank balances	1.70	-
Trade receivables	73.13	28.55
Other financial assets	11.52	8.81
Financial liabilities measured at amortised cost		
Current		
Trade payables	19.28	11.09
Other financial liabilities	23.67	19.10

The management believes that the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

30.2 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and equity of the Company (comprising issued capital and retained earnings as disclosed in note 11 and 12).

The Company is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at the year-end is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Debt **(A)**	13.00	-
Cash and cash equivalents (including other bank balances) **(B)**	18.03	32.70
Net debt (C)=(A)-(B)	**(5.03)**	**(32.70)**
Total Equity **(D)**	55.47	54.80
Net debt to equity ratio (C)/(D)	**(0.09)**	**(0.60)**

30.3 Financial risk management objectives

The Company monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk, interest risk and liquidity risk.

A. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company uses its own trading records to rate its major customers. The Company's exposure to financial loss from defaults are continuously monitored.

B. Liquidity risk

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash to meet obligations when due.The Company continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

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Innovsource Facilities Private Limited

30 Financial instruments *(Continued)*

30.3 Financial risk management objectives *(Continued)*

Maturities of financial liabilities
Table showing maturity profile of non-derivative financial liabilities:

Particulars	Up to One year	1-5 years	Total
As at March 31, 2023			
Trade payables	19.28	-	**19.28**
Other financial liabilities	23.67	-	**23.67**
As at March 31, 2022			
Trade payables	11.09	-	**11.09**
Other financial liabilities	19.10	-	**19.10**

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

C. Market risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. In the normal course of business and in accordance with our policies, we manage these risks through a variety of strategies.

i) Currency risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is domiciled in India and has its revenues and all transactions in its functional currency i.e. INR. Accordingly the Company is not exposed to any currency risk.

ii) Interest rate risk
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 does not have any borrowed funds and so the Company is not exposed to any interest rate risk.

31 Additional Regulatory Information

31.1 The Company does not own benami properties. Further, there are no proceedings which have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

31.2 The Company has not borrowed any specific purpose loan.

31.3 During the year, the Company has not traded or invested in Crypto currency or Virtual Currency.

31.4 There were no Scheme of Arrangements entered by the Company during the reporting year, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

31.5 The Company did not have any transaction with struck off companies as per section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

31.6 The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) 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.

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Innovsource Facilities Private Limited

Innovsource Facilities Private Limited
Notes to the Financial statement for the year ended March 31, 2023
All amounts are in ₹ million unless otherwise stated

32 Ratio analysis and its elements

a. Current ratio = Current assets divided by current liabilities

Particulars	March 31,2023	March 31, 2022
Current Assets	109.62	76.95
Current Liabilities	61.36	40.45
Ratio	1.79	1.90
% Change from previous year	**(5.79%)**	**NA**

Reason for change more than 25%:
Not Applicable

b. Debt equity ratio = Total debt divided by total shareholder's equity

Particulars	March 31,2023	March 31, 2022
Total debt	13.14	-
Total equity	55.47	54.80
Ratio	0.24	-
% Change from previous year	**100.00%**	**NA**

Reason for change more than 25%:
The change as at March 31, 2023 is 100% primarily on account of increase in debt during the year.

c. Debt service coverage ratio = Earnings available for debt services divided by total debt

Particulars	March 31,2023	March 31, 2022
Profit after tax	0.30	2.44
Add: Non cash operating expenses and finance cost		
Depreciation and other non cash operating expenses	1.99	0.21
Finance costs	0.16	-
Earnings available for debt service	2.45	2.65
Total Debt	13.14	-
Ratio	0.19	NA
% Change from previous year	**100.00%**	**NA**

Reason for change more than 25%:
The change as at March 31, 2023 is 100% primarily on account of increase in debt during the year.

d. Return on equity ratio = Net profit after tax divided by average shareholder's equity

Particulars	March 31,2023	March 31, 2022
Net profit after tax	0.30	2.44
Average shareholder's equity	55.14	53.64
Ratio (in %)	0.54%	4.54%
% Change from previous year	**(88.11%)**	**NA**

Reason for change more than 25%:
The ratio has decreased from 4.54% as at March 31, 2022 to 0.54% as at March 31, 2023 primarily on account of decrease in profit after tax due to increase in other expenses.

e. Trade receivables turnover ratio = Revenue from operations divided by average trade receivables

Particulars	March 31,2023	March 31, 2022
Revenue from operations	316.72	296.51
Average Trade receivables	50.84	37.86
Ratio	6.23	7.83
% Change from previous year	**(20.43%)**	**NA**

Reason for change more than 25%:
Not Applicable

f. Trade payables turnover ratio = Other Expenses divided by average trade payables

Particulars	March 31,2023	March 31, 2022
Other Expenses	59.33	51.55
Average Trade payables	15.19	8.80
Ratio	3.91	5.86
% Change from previous year	**(33.28%)**	**NA**

* Other expenses: The Group does not have any purchases being in the service industry. The balances of trade payables consist of other operating expenses and therefore we have considered other expenses in the numerator. Other expenses= Total other expenses-Bad debts and other receivables written off-Provision for doubtful trade and other receivables-Loss on disposal of property, plant and equipment-Translation loss (net) on monetary asset/liability-Loss on fair valuation/settlement of put option liability.

Reason for change more than 25%:
The ratio has decreased from 5.86% as at March 31, 2022 to 3.91% as at March 31, 2023 primarily on account of average increase in trade payable is higher than the average increase in other expenses.

g. Net capital turnover ratio = Net sales divided by working capital

Particulars	March 31,2023	March 31, 2022
Net Sales	316.72	296.51
Working Capital	48.26	36.50
Ratio	6.56	8.12
% Change from previous year	**(19.21%)**	**NA**

Reason for change more than 25%:
Not Applicable

Deloitte Haskins & Sells LLP
Mumbai
Chartered Accountants

Innovsource Facilities Private Limited

h. Net profit ratio = Net profit after tax divided by Net sales

Particulars	**March 31,2023**	**March 31, 2022**
Net profit after tax	0.30	2.44
Net Sales	316.72	296.51
Ratio (in %)	0.09%	0.82%
% Change from previous year	**(89.02%)**	**NA**

Reason for change more than 25%:
The ratio has decreased from 0.82% as at March 31, 2022 to 0.09% as at March 31, 2023 primarily on account of decrease in profit after tax and increase in slaes during the year.

i. Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	**March 31, 2023**	**March 31, 2022**
Profit before tax	0.14	4.06
Add: Finance costs	0.16	-
EBIT	**0.30**	**4.06**
Capital employed	54.84	41.04
Ratio (in %)	0.55%	9.89%
% Change from previous year	**(94.44%)**	**NA**

Reason for change more than 25%:
The ratio has reduced from 9.89% as at March 31, 2022 to 0.55% as at March 31, 2023 on account of decrease in profit due to increase in other expenses.

Notes:
i. The above Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that these are not a measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

iii. Elements of the ratios:

Particulars	**Numerator**	**Denominator**
Current Ratio	Total current assets	Total current liabilities
Debt Equity Ratio	**Total debt :** Non-current borrowings + current borrowings+non-current lease liabilities + current lease liabilities+ Interest accrued	**Shareholder's equity:** Total equity
Debt Service Coverage Ratio	**Earning for Debt Service:** Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + Provision for doubtful trade and other receivables + Loss on disposal of property, plant and equipment	**Total debt :** Non-current borrowings + current borrowings+non-current lease liabilities + current lease liabilities+ Interest accrued
Return on Equity Ratio	Profit for the year	**Average shareholder's equity:** (opening total equity + closing total equity)/2
Inventory turnover ratio	Not Applicable since the company is into service industry and does not hold any inventory	
Trade Receivables Turnover Ratio	Revenue from operations	**Average trade receivables:** (opening trade receivables + Closing trade receivables)/2
Trade Payables Turnover Ratio	**Other expenses*:** Total other expenses- expenses not directly attributable to trade payable	**Average Trade payable:** (Opening trade payable + closing trade payable)/2
Net Capital Turnover Ratio	**Net sales :** Revenue from operations	**Working capital:** Total current assets - Total current liabilities
Net Profit Ratio	Profit for the year	**Net sales :** Revenue from operations
Return on Capital Employed	**Earnings before interest and taxes:** Profit/(loss) before tax + Finance cost	**Capital employed:** Net worth - Intangible assets + total debt + Deferred tax liabilities (net)/Deferred tax assets (net)
Return on Investment	Not Applicable since the company does not have any investments	

DELOITTE HASKINS & SELLS LLP * CHARTERED ACCOUNTANTS * MUMBAI

Innovsource Facilities Private Limited *

33 Impact on Code on Social Security, 2020

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 Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are published.

34 Previous period's figures have been regrouped / rearranged, to the extent necessary, to confirm to current period's classifications.

DELOITTE HASKINS & SELLS LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors of
Innovsource Facilities Private Limited

Sudhakar Balakrishnan	Nilay Pratik
Director	Director
DIN - 00062956	DIN - 07692750
Place : Bangalore	Place : Mumbai
Date : June 23, 2023	Date : June 23, 2023

Innovsource Facilities Private Limited