

Rlabs Enterprise Services 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	16.20	4.99
b. Right-of-use assets	26.3	1.41	11.94
c. Goodwill	4	17.21	17.21
d. Other intangible assets	5	11.77	17.66
e. Financial assets	6	71.77	3.86
f. Deferred tax asset (net)	7	0.83	0.49
g. Non-current tax assets (net)		19.82	37.74
Total non-current assets		139.01	93.89
2 Current assets			
a. Financial assets			
i. Trade receivables	8	78.41	112.78
ii. Cash and cash equivalents	9	93.68	102.27
iii. Other financial assets	6	116.62	113.34
b. Other current assets	10	2.58	2.84
Total current assets		291.29	331.23
Total assets		430.30	425.12
Equity and liabilities			
Equity			
a. Equity share capital	11	83.53	83.53
b. Other equity	12	236.42	185.88
Total equity		319.95	269.41
Liabilities			
1 Non-current liabilities			
a. Financial liabilities			
i. Lease liabilities	26.4	-	4.52
b. Provisions	13	10.76	9.09
Total non-current liabilities		10.76	13.61
2 Current liabilities			
a. Financial liabilities			
i. Lease liabilities	26.4	1.98	10.14
ii. Trade payables	14		
- Total outstanding dues of micro and small enterprises		4.80	-
- Total outstanding dues of creditors other than micro and small enterprises		18.51	11.60
iii. Other financial liabilities	15	51.68	71.36
b. Provisions	13	3.97	3.16
c. Other current liabilities	16	18.65	45.84
Total current liabilities		99.59	142.10
Total liabilities		110.35	155.71
Total equity and liabilities		430.30	425.12

See accompanying notes to the Financial Statements

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In terms of our report attached of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

FRN No. : 117366W/W-100018

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Mukesh Jain
Partner
Membership No. 108262
Date: June 23, 2023
Place: Mumbai



For and on behalf of the Board of Directors of
Rlabs Enterprise Services Limited

Sudhakar Balakrishnan

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

Nilay Pratik

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



Rlabs Enterprise Services 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	17	1,008.78	1,158.53
Other income	18	7.49	5.20
Total income (I)		1,016.27	1,163.73
II Expenses			
Employee benefits expense	19	705.20	728.19
Finance costs	20	2.68	19.04
Depreciation and amortisation expense	21	18.68	16.66
Other expenses	22	191.06	285.24
Total expenses (II)		917.62	1,049.13
III Profit before tax (I- II)		98.65	114.60
IV Tax expenses	23		
Current tax		49.14	29.96
Deferred tax (credit)/charge		(0.52)	4.41
Total tax expense (IV)		48.62	34.37
V Profit for the year (III- IV)		50.03	80.23
VI Other comprehensive income			
Items that will not be reclassified subsequently to Statement of Profit and Loss			
- Gain on remeasurements of the defined benefit plans		0.70	6.35
- Income tax effect on above	23	(0.19)	(1.60)
Total other comprehensive income		0.51	4.75
VII Total comprehensive income for the year (V+VI)		50.54	84.98
VIII Earnings per equity share	24		
Basic (in ₹)		5.99	9.61
Diluted (in ₹)		5.99	9.61

See accompanying notes to the Financial Statements

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Rlabs Enterprise Services Limited
Statement of Cashflow 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	98.65	114.60
Adjustments for:		
Depreciation and amortisation expense	18.68	16.66
Interest income	(2.71)	(3.28)
Net gain on sale of property, plant and equipments	-	(1.33)
Finance costs	2.68	19.04
Provision no longer required written back	(4.71)	(0.59)
Provision for doubtful trade and other receivables including bad debts written off and other receivables written off	(1.80)	(4.64)
Operating profit before working capital changes	110.79	140.46
Movements in working capital:		
(Increase)/ Decrease in assets :		
Trade receivables	36.17	7.24
Other assets	(101.27)	79.72
Increase/ (Decrease) in liabilities :		
Trade and other payables	11.71	(27.36)
Provisions and other liabilities	(38.91)	13.61
Cash generated from operations	18.49	213.67
Income taxes (paid)/ refund received (net)	(31.21)	12.07
Net cash generated from operating activities (A)	(12.72)	225.74
B. Cash flows from investing activities		
Purchase of property, plant and equipments and intangibles including capital advances	(17.53)	(5.86)
Proceeds from sale of property, plant and equipments	30.70	5.14
Interest income	2.25	(3.50)
Net cash used in investing activities (B)	15.42	(4.22)
C. Cash flows from financing activities		
Payment of lease liabilities including interest payments	(9.10)	(11.95)
Repayment of long term borrowings	-	(28.96)
Increase/(decrease) in short term borrowings	-	(116.19)
Interest paid	(2.19)	(17.56)
Net cash used in financing activities (C)	(11.29)	(174.66)
Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	(8.59)	46.86
Cash and cash equivalents at the beginning of the year	102.27	55.41
Cash and cash equivalents at the end of the year (refer note 9)	93.68	102.27

See accompanying notes to the Financial Statements

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Rlabs Enterprise Services 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	83.53	83.53
Shares issued during the year	-	-
Balance at the end of the year	83.53	83.53

b. Other equity

Particulars	Reserves and Surplus		Total
	Retained earnings		
Balance as at April 01, 2021	100.90		100.90
Profit for the year	80.23		80.23
Gain on remeasurements of the defined benefit plans (net of taxes)	4.75		4.75
Balance as at March 31, 2022	185.88		185.88
Balance as at April 01, 2022	185.88		185.88
Profit for the year	50.03		50.03
Gain on remeasurements of the defined benefit plans (net of taxes)	0.51		0.51
Balance as at March 31, 2023	236.42		236.42

Note: Refer Note 12 "Other Equity" for nature of reserves

See accompanying notes to the Financial Statements

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RLabs Enterprises Services Limited

Notes to the Financial Statements

1. Corporate Information

RLabs Enterprises Services Limited (the "Company" or "RLabs") was incorporated as a public limited company on March 06, 2013. The Company is engaged in business of providing management advisory services and staffing services. The Company is a subsidiary of First Meridian Business Services Private Limited with effect from February 01, 2022. 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 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 accounting policies have been consistently applied by the Company in preparation of the Financial Statements and are consistent with those adopted in the preparation of financial statements as at and for the year ended March 31, 2023. These Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Audited Special Purpose Interim Financial Statements and Ind AS Financial Statements mentioned above.

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 period, 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 period.

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle.
- ii. It is held primarily for the purpose of trading



RLabs Enterprises Services Limited

Notes to the Financial Statements

- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. 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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RLabs Enterprises Services Limited

Notes to the Financial Statements

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 profit or loss when the item is derecognized.



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RLabs Enterprises Services Limited

Notes to the Financial Statements

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.

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 sti of the Act.

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 Group's cash-generating units (or groups 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 period 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 profit or loss.



RLabs Enterprises Services Limited

Notes to the Financial Statements

The estimated useful lives as mentioned below:

Description of the asset	Estimated Useful Life (Years)
Computer Software	3
Customer relationship	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year 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.



RLabs Enterprises Services Limited

Notes to the Financial Statements

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)

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.

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.

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.



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RLabs Enterprises Services Limited

Notes to the Financial Statements

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.

e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet and statement of cash flow 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



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RLabs Enterprises Services Limited

Notes to the Financial Statements

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 Statements where an inflow of economic benefit is probable.

g) Revenue recognition

The Company derives revenue primarily from Global Technology Solutions.

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).

a) Global Technology Solutions

Revenue is recognised upon transfer of control of promised services to customers at an amount that reflects the consideration which the Group expects to receive in exchange for those services.



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RLabs Enterprises Services Limited

Notes to the Financial Statements

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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RLabs Enterprises Services Limited

Notes to the Financial Statements

(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 actuarial 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).

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

The Company recognises a right-of-use asset and a 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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RLabs Enterprises Services Limited

Notes to the Financial Statements

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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RLabs Enterprises Services Limited

Notes to the Financial Statements

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 profit or 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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RLabs Enterprises Services Limited

Notes to the Financial Statements

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 periods presented. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Parent Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares for the year ended March 31, 2023.

o) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) for the period 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

In accordance with Ind AS 108, Operating segments, segment information has been disclosed in the consolidated Financial Statements of the Company and no separate disclosure on segment information is given in this Financial Statements.



RLabs Enterprises Services Limited

Notes to the Financial Statements

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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Rlabs Enterprise Services Limited
Notes forming part of the Financial Statements
All amounts are ₹ in Million unless otherwise stated

3 Property, plant and equipment

Particulars	Gross carrying amount (at cost)				Depreciation		Net Carrying amount	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	For the year	As at March 31, 2023	As at March 31, 2023
Data processing machines (Computer)	9.01	17.76	-	26.77	4.72	5.85	-	10.57
Furniture and fixtures	0.20	-	-	0.20	0.20	-	-	0.20
Office equipment	0.69	-	-	0.69	0.51	0.18	-	0.69
Vehicles	2.73	-	(2.73)	-	2.21	0.31	(2.52)	-
Total	12.63	17.76	(2.73)	27.66	7.64	6.34	(2.52)	11.46

Particulars	Gross carrying amount (at cost)				Depreciation		Net Carrying amount	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	For the year	As at March 31, 2022	As at March 31, 2022
Data processing machines (Computer)	6.30	2.71	-	9.01	2.16	2.56	-	4.72
Furniture and fixtures	0.20	-	-	0.20	0.20	-	-	0.20
Office equipment	0.47	0.22	-	0.69	0.47	0.04	-	0.51
Vehicles	2.73	-	-	2.73	1.87	0.34	-	2.21
Building	32.61	-	(32.61)	-	1.41	1.52	(2.93)	-
Total	42.31	2.93	(32.61)	12.63	6.11	4.46	(2.93)	7.64

3.1 There are no capital-work-in-progress during each reporting period 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 as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

3.4 There are no impairment losses recognised during each reporting period.

4 Goodwill

Particulars	Gross carrying amount (at cost)			Impairment Loss		Net Carrying amount	
	As at April 01, 2022	Additions	As at March 31, 2023	As at April 01, 2022	For the year	As at March 31, 2023	As at March 31, 2023
Goodwill	17.21	-	17.21	-	-	-	17.21
Total	17.21	-	17.21	-	-	-	17.21

Particulars	Gross carrying amount (at cost)			Impairment Loss		Net Carrying amount	
	As at April 01, 2021	Additions	As at March 31, 2022	As at April 01, 2021	For the year	As at March 31, 2022	As at March 31, 2022
Goodwill	17.21	-	17.21	-	-	-	17.21
Total	17.21	-	17.21	-	-	-	17.21



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4.1 Impairment of goodwill

Carrying amount of goodwill is ₹ 17.21 million (March, 31, 2022 is ₹ 17.21 million) has been allocated to the Global Technology segment. 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 the global technology 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 EBITDA 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.

Particulars	As at March 31, 2023	As at March 31, 2022
Pre tax risk adjusted discount rate	14.00%	14.00%
Terminal value growth rate	5.00%	5.00%
Budgeted EBITDA growth rate	15-25%	15-25%

These assumptions are reviewed annually as part of management's budgeting 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 as at the balance sheet date 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

Particulars	Gross carrying amount(at cost)				Amortization		Net Carrying amount	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	For the year	Disposals	As at March 31, 2023	As at March 31, 2023
Software rights	0.01	-	(0.01)	-	-	-	-	-
Customer relationship	22.69	-	-	22.69	5.04	5.88	10.92	11.77
Total	22.70	-	(0.01)	22.69	5.04	5.88	10.92	11.77
Particulars	Gross carrying amount(at cost)				Amortization		Net Carrying amount	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	For the year	Disposals	As at March 31, 2022	As at March 31, 2022
Software rights	0.01	-	-	0.01	-	-	-	0.01
Customer relationship	22.69	-	-	22.69	2.52	2.52	5.04	17.65
Total	22.70	-	-	22.70	2.52	2.52	5.04	17.66

5.1 With effect from April 01, 2022 the Company has changed its estimate with respect to useful life of Customer Relationships from 9 years to 5 years prospectively, based on the expected benefits from the existing customer relations. The change in estimate has increased the charge of amortisation by ₹3.36 million for the year ended March 31, 2023. The balance of customer relationship will be amortised over the balance useful life.

5.2 There are no intangible assets under development during each reporting period and therefore Schedule III additional disclosures for ageing and completion schedule of intangible assets under development is not applicable.

5.3 The company has not revalued its intangible assets as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.



6 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Bank deposits with remaining maturity of more than 12 months	70.60	-
Deposit for premises (unsecured, considered good)	-	3.86
Rights towards reimbursable gratuity	1.17	-
Total	71.77	3.86
Current		
Advance to employees (unsecured, considered good)	-	0.15
Advance to suppliers	0.25	-
Bank deposits with remaining maturity of more than 12 months	20.00	-
Accrued interest on fixed deposits	0.17	-
Unbilled revenue	83.90	81.49
Receivable from related parties	-	1.00
Receivable on sale of property plant and equipment	-	30.70
Security Deposits - unsecured, considered good	4.15	-
Other receivables	8.15	-
Total	116.62	113.34

6.1 During each reporting 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(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 Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 Deferred tax

7.1 Closing deferred tax balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset (net)	3.79	5.58
Deferred tax liability (net)	(2.96)	(5.09)
Deferred tax asset (net)	0.83	0.49

7.2 Movement in deferred tax balances

Particulars	For the year ended March 31, 2023			
	Opening balance	Statement of Profit and Loss	Recognised in OCI	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Provision for employee benefits (net-off right towards reimbursable gratuity)	3.29	0.30	(0.19)	3.41
Customer relationship	-	(2.96)	-	(2.96)
Property, plant and equipment and Goodwill	(5.09)	4.67	-	(0.42)
Lease liability and right-to-use assets	0.78	(0.61)	-	0.17
Provision for doubtful debts	1.34	(0.71)	-	0.63
Others	0.17	(0.17)	-	-
Net deferred tax asset/(liabilities)	0.49	0.52	(0.19)	0.83

7.3 Movement in deferred tax balances

Particulars	For the year ended March 31, 2022			
	Opening balance	Statement of Profit and Loss	Recognised in OCI	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Provision for employee benefits (net-off right towards reimbursable gratuity)	1.75	3.14	(1.60)	3.29
Property, plant and equipment (Including goodwill)	0.75	(5.84)	-	(5.09)
Lease liabilities and right-to-use assets	1.05	(0.27)	-	0.78
Provision for doubtful debts	2.95	(1.61)	-	1.34
Others	-	0.17	-	0.17
Net deferred tax asset	6.50	(4.41)	(1.60)	0.49

8 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	78.41	112.78
Unsecured, credit impaired	2.52	5.32
Less: Allowance for doubtful debts (expected credit loss allowances)	(2.52)	(5.32)
Total	78.41	112.78

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 details (refer note 27).

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
Balance at the beginning of the year	5.32	11.71
Allowance for doubtful debts (net)	(2.80)	(6.39)
Balance at the end of the year	2.52	5.32



Rlabs Enterprise Services Limited
Notes forming part of the Financial Statements
All amounts are ₹ in Million unless otherwise stated

8.4 Trade receivable ageing schedule:

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	69.71	8.70	-	-	-	78.41
Credit impaired	0.95	0.81	0.76	-	-	2.52
Disputed:						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross carrying amount	70.66	9.51	0.76	-	-	80.93

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	112.78	-	-	-	-	112.78
Credit impaired	1.30	3.16	0.86	-	-	5.32
Disputed:						
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Gross carrying amount	114.08	3.16	0.86	-	-	118.10

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 the year end.



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Rlabs Enterprise Services Limited
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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	93.68	102.27
Total	93.68	102.27

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

10 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses (unsecured, considered good)	2.58	2.84
Total	2.58	2.84



Rlabs Enterprise Services Limited
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All amounts are ₹ in Million unless otherwise stated

1.1 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
1,50,00,000 (March 31, 2022 : 1,50,00,000) Equity Shares of ₹ 10/- each	150.00	150.00
Issued and subscribed capital comprises:		
83,52,531 Equity Shares of ₹ 10/- each Fully Paid up	83.53	83.53
Total	83.53	83.53

1.1.1 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	83,52,531	83.53	83,52,531	83.53
Movement during the year				
Issued during the year (fully paid up)	-	-	-	-
At the end of the year	83,52,531	83.53	83,52,531	83.53

1.1.2 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.

1.1.3 Details of shares held by each shareholder holding more than 5% shares

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Innovsource Services Private Limited	55,41,900	66.35%	55,41,900	66.35%
Renuka Tadakamalla	-	-	13,40,584	16.05%
FirstMeridian Business Services Limited	28,10,626	33.65%	7,22,493	8.65%
	83,52,526	100.00%	76,04,977	91.05%

1.1.4 Shareholding of Promoters

Promoter
FirstMeridian Business Services Limited

Number of shares*	83,52,526	62,64,393
% of Holding	100.00%	75.00%
Change during the year/ period	33.33%	100.00%

The above shares include those held indirectly by FirstMeridian Business Services Limited's wholly owned subsidiary.



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All amounts are ₹ in Million unless otherwise stated

12 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	236.42	185.88
Total	236.42	185.88

12.1 Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of year	185.88	100.90
Profit for the year	50.03	80.23
Net gain on remeasurements of the defined benefit plans (net of taxes)	0.51	4.75
Balance at end of year	236.42	185.88

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 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non current:		
Provision for gratuity (refer note 29)	10.76	9.09
	10.76	9.09
Current:		
Provision for compensated absence	3.97	3.16
	3.97	3.16



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14 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	4.80	-
Total outstanding dues of creditors other than micro and small enterprises	18.51	11.60
Total	23.31	11.60

14.1 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.	4.80	-
(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.	-	-

Based on the intimations received from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 the above disclosure has been made.

14.2 The average credit period of trade payables is 30-45 days. No interest is charged by vendors.

14.3 Trade Payable Ageing Schedule

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)	-	4.80	-	-	-	4.80
Others	6.68	11.62	0.21	-	-	18.51

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	-	11.60	-	-	-	11.60

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



15 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Accrued compensation to employees	50.54	70.93
Others	1.14	0.43
Total	51.68	71.36

Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	18.65	45.84
Total	18.65	45.84



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All amounts are ₹ in Million unless otherwise stated

17 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services	1,008.78	1,158.53
Total	1,008.78	1,158.53

17.1 There were no impairment losses recognised on any contract asset (unbilled revenue)/trade receivable for the year ended March 31, 2023.

17.2 The Company currently recognises its revenue on point-in-time basis. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 28 on Segment information).

17.3 Refer details of contract assets (unbilled revenue) and trade receivables in note 6 and note 8 respectively.

18 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on:		
-Bank deposits (at amortised cost)	2.42	-
-Income tax refund	-	3.01
-Security deposits (at amortised cost)	0.29	0.27
Gain on sale of property, plant and equipments	-	1.33
Provision no longer required	4.71	0.59
Miscellaneous income	0.07	-
Total	7.49	5.20

19 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	676.98	696.41
Contribution to provident and other funds (refer note 29(i))	22.17	23.31
Gratuity (refer note 29(ii))	4.07	6.87
Staff welfare expenses	1.98	1.60
Total	705.20	728.19

20 Finance Costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	-	10.92
Interest on lease liability (refer note 26)	0.49	1.48
Others	2.19	6.64
Total	2.68	19.04

21 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	6.34	4.46
Depreciation of right-of-use asset (refer note 26)	6.46	9.68
Amortisation of intangible assets	5.88	2.52
Total	18.68	16.66



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22 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Auditor's remuneration (refer note 22.1)	0.82	0.40
Bad debts and other receivables written off	1.00	1.75
Communication expenses	3.76	3.03
Insurance	2.24	4.17
Power and fuel	1.82	1.36
Rent	1.72	4.80
Loss on disposal of property, plant and equipment	0.21	-
Repairs and maintenance	6.42	3.97
Rates and taxes	5.88	5.85
Provision for allowance for doubtful trade and other receivables	(2.80)	(6.39)
Professional and consultancy fees	137.82	258.91
Business support fees	18.36	-
Printing and stationary	0.08	0.08
Travelling and conveyance	11.01	4.75
Expense towards corporate social responsibility (refer note 22.2)	1.51	1.15
Miscellaneous expenses	1.21	1.41
Total	191.06	285.24

22.1 Payments to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) For statutory audit	0.70	0.40
b) For tax audit	0.10	-
b) For tax audit	0.02	-
Total	0.82	0.40

22.2 Corporate Social Responsibility ("CSR")

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	1.51	1.15
Amount of expenditure incurred	1.51	5.33
Unpaid amount as at the year end	-	-
Shortfall as at the end of the year	-	(4.18)
Total of previous years shortfall at the beginning of the year	-	4.18
Reason for shortfall	NA	NA
Nature of CSR activities	Contributions made to: 1. CRY foundation	Contributions made to: 1. Manav Kalyan Foundation 2. PURE Trust- People for Urban and Rural Education 3. Amar Seva Sannam
Details of related party transactions E.g. Contribution to a trust controlled by the Company in relation of CSR expenditure as per relevant Accounting Standard	NA	NA
Provision in respect of CSR as at the end of the year	-	-

Sin



23 Tax Expense

23.1 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
Current tax expense		
In respect of the current year	24.55	29.96
In respect of the prior year	24.59	-
	49.14	29.96
Deferred tax (credit)/charge:		
In respect of the current year	(0.52)	4.41
	(0.52)	4.41
Total income tax expense recognised in the reporting year	48.62	34.37

23.2 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 tax is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	98.65	114.60
Income tax rate (including surcharge)	25.17%	25.17%
Income tax expense calculated (including surcharge)	24.83	28.84
Effect of expenses not deductible in determining taxable profits	(0.80)	5.53
Tax related to prior years	24.59	-
Income tax expense recognised in Statement of Profit and Loss	48.62	34.37

23.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax benefit		
Arising on incomes/(expenses) recognised in other comprehensive income		
Gain/ (loss) on remeasurements of the defined benefit plans	0.19	1.60
Income tax (expense)/ income recognised in other comprehensive income	0.19	1.60

23.4 During the year ended March 31, 2023, there were no transactions that the Company had not recorded in the books and had surrendered or disclosed in the tax assessments under the Income Tax Act, 1961.

23.5 During the year ended March 31, 2023, 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 Earnings per equity share

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earning per share has been computed as under:		
Profit for the year attributable to the owners of the company	50.03	80.23
Weighted average number of equity shares outstanding during the year (in million)	8.35	8.35
Face value per equity share (₹)	10.00	10.00
Earnings per equity share (₹) - Basic	5.99	9.61

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Diluted earning per share has been computed as under:		
Profit for the year attributable to the owners of the company	50.03	80.23
Weighted average number of equity shares as adjusted for the effects of all dilutive potential equity shares outstanding during the year (in million)	8.35	8.35
Face value per share (₹)	10.00	10.00
Earnings per share (₹) - Diluted	5.99	9.61



25 Contingent liabilities (to the extent not provided for)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matters under appeal	-	10.72

26 Leases

26.1 The effect of depreciation and interest related to right-of-use asset and lease liability are reflected in the Statement of Profit and Loss under the heading "finance costs" and "depreciation and amortisation expense" respectively under Note No 20 and 21.

26.2 The weighted average incremental borrowing rate applied to lease liabilities is 7.5% p.a.

26.3 Following are the changes in the carrying value of right of use assets for the year ended:

Particulars	Gross carrying amount(at cost)			Depreciation		Net Carrying amount	
	As at April 01, 2022	As at March 31, 2023	As at April 01, 2023	For the year	Disposals	As at March 31, 2023	As at March 31, 2022
Office Space	21.62	17.55	17.55	9.68	6.46	16.14	1.41
Total	21.62	17.55	17.55	9.68	6.46	16.14	1.41
Particulars	Gross carrying amount(at cost)			Depreciation		Net Carrying amount	
	As at April 01, 2021	As at March 31, 2022	As at April 01, 2022	For the year	Disposals	As at March 31, 2022	As at March 31, 2021
Office Space	21.62	21.62	21.62	9.68	9.68	11.94	11.94
Total	21.62	21.62	21.62	9.68	9.68	11.94	11.94

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

26.4 The following is the break-up of current and non-current lease liabilities as at :

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities		
Current	1.98	10.14
Non-current	-	4.52
Total	1.98	14.66

26.5 The following is the movement in lease liabilities:

Particulars	Amount
Balance as of April 01, 2021	25.14
Additions for the year	-
Deletions for the year	1.48
Finance cost accrued during the year	(11.96)
Payment of lease liabilities	14.66
Balance as at March 31, 2022	14.66
Balance as of April 01, 2022	-
Additions for the year	(4.07)
Deletions for the year	0.49
Finance cost accrued during the year	(9.10)
Payment of lease liabilities	1.98
Balance as at March 31, 2023	1.98

26.6 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than 1 year	2.00	12.56
Later than 1 year and not later than 5 years	-	2.80
Later than 5 years	-	-
Total	2.00	15.36

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

26.7 Amounts recognized in statement of profit and loss

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense on right-of-use assets	6.46	9.68
Interest expense on lease liabilities	0.49	1.48
Expense relating to short-term leases	1.72	4.80

26.8 Total cashflow's disclosure :

The total cash outflow for leases is ₹ 10.82 million (For the year ended March 31, 2022: ₹ 16.76 million) Includes cash outflow from short term and long term leases.



27 Related parties transactions

27.1 Names 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)	Ultimate Holding Company (With effect from February 02, 2022)
Innovsource Services Private Limited	Holding Company (With effect from February 02, 2022)
Innovsource Facilities Private Limited	Fellow Subsidiary
V5 Global Services Private Limited	Fellow Subsidiary
CBSI India Private Limited	Fellow subsidiary
Affluent Global Services Private Limited	Fellow Subsidiary
Key Management Personnel	
Aitharaju Srikanth (upto March 28, 2022)	Director
Renuka Tadakamalla (upto March 28, 2022)	Director
Sudhakar Balakrishnan (w.e.f. March 28, 2022)	Director
Nilay Pratik (w.e.f. March 28, 2022)	Director
Venkatesan Vinodh (upto October 18, 2022)	Director
Pooja Prabhakar (w.e.f. September 07, 2022)	Independent Director
Trusha Deepka Shah (w.e.f. January 31, 2022 till October 18, 2022)	Independent Director
Vaibhav Surendramal Sanghavi (w.e.f. January 31, 2022 till October 18, 2022)	Independent Director
Dataformix Technologies (upto July 07, 2022)	Entity in which KMP has significant influence

27.2 Details of related party transactions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		
CBSI India Private Limited	0.42	-
Affluent Global Services Private Limited	0.01	-
Dataformix Technologies	4.57	-
Miscellaneous income		
FirstMeridian Business Services Limited	0.01	-
Miscellaneous Expenses		
FirstMeridian Business Services Limited	0.21	-
CBSI India Private Limited	0.01	-
Business support fee		
FirstMeridian Business Services Limited	18.93	-
Professional and consultancy fees		
Innovsource Services Private Limited	0.15	-
Rates and taxes		
Affluent Global Services Private Limited	0.20	-
Office maintenance		
Innovsource Facilities Private Limited	0.94	-
Staff welfare expenses		
Affluent Global Services Private Limited	0.02	-
V5 Global Services Private Limited	0.08	-
Purchase of fixed assets		
Affluent Global Services Private Limited	0.54	-
Share based payment expenses (net of forfeiture)		
FirstMeridian Business Services Limited	0.20	0.17
Sale of Building		
Aitharaju Srikanth	-	31.01
Remuneration to key managerial persons *	1.96	10.31
Sitting fees to independent directors	0.32	-



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27.3 Details of related party closing balances

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payable		
FirstMeridian Business Services Limited	4.17	0.17
Innovsource Facilities Private Limited	0.25	-
Innovsource Services Private Limited	0.05	-
CBSI India Private Limited	0.01	-
Affluent Global Services Pvt Ltd	0.23	-
Trade receivables		
Dataformix Technologies	-	33.18
Unbilled Revenue		
CBSI India Private Limited	0.41	-
Other receivables		
FirstMeridian Business Services Limited	8.15	-
Loans and advances given		
Dataformix Technologies	-	1.00

27.4 Compensation to key managerial personnel *

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	1.44	10.31
Post-employment benefits	0.52	-
Total	1.96	10.31
Sitting fees paid to independent directors	0.32	-

* The above Managerial remuneration excludes value of gratuity and compensated absences since the same is ascertained on aggregated basis for the Company as a whole by the way of actuarial valuation and separate values attributable to key managerial person are not ascertained.



28 Segment information

The Board of Directors have been Identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segment. CODM evaluates the performance of Company and allocated resources based on the analysis of various performance indicators of the Company. The CODM has identify "Global technology services" as operating segment. All the activities of the Company are revolving around global technology services.

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.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue within India	962.77	1,117.21
Revenue outside India	46.01	41.32
Total revenue	1,008.78	1,158.53

Information about major customers

The details of the clients from where the Company has earned more than 10% of its total revenue are as under:-

Customer	For the year ended March 31, 2023	For the year ended March 31, 2022
Customer-A	44.60%	35.39%
Customer-B	14.20%	19.08%
Customer-C	-	10.25%

29 Employee benefits

i) Defined Contribution Plan

The Company's contribution to provident fund and other funds aggregating is ₹ 22.24 million (during the year ended March 31, 2022 is ₹22.17 million) has been recognised in the statement of profit and loss under the head employee benefits expense.

ii) Defined Benefit Plans:

Gratuity

The Company has a defined benefit plan ("the Gratuity Plan"). The Gratuity plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and number of years of employment with the Company. Presently the Company's gratuity plan is unfunded.

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

(1) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(2) Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(3) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

(4) Longevity risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

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	7.40%	7.12%
Discount rate (p.a.) - Associate	7.40%	7.12%
Salary escalation rate (p.a.) - Core	4.00%	4.00%
Salary escalation rate (p.a.) - Associate	4.00%	4.00%
Rate of employee turnover (p.a.) - Core	1%-10%	1%-12%
Rate of employee turnover (p.a.) - Associate	1%-10%	1%-12%
(ii) Demographic assumptions		
Mortality rate	IALM 2012-14	IALM 2012-14

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	4.36	6.24
Net interest expense	0.55	0.63
Components of defined benefit costs	4.91	6.87
Amount netted off in the Statement of Profit and Loss towards gratuity and related reimbursement right for associate employees	0.83	-
Components of defined benefit costs after netting off reimbursement right for associate employees recognised in Statement of Profit and Loss	4.08	6.87
Remeasurement on the net defined benefit liability		
Actuarial (gain) arising from changes in financial assumptions	-	(0.30)
Actuarial loss arising from experience adjustments	(1.18)	(6.05)
Components of defined benefit costs before netting off right for associate employees recognised in Statement of Profit and Loss	(1.18)	(6.35)
Amount netted off in the Other comprehensive income towards gratuity and related reimbursement right for associate employees	(0.48)	-
Components of defined benefit costs recognised in other comprehensive income	(0.70)	(6.35)

Notes:

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

ii) The remeasurement of the net defined benefit liability is included in Other Comprehensive Income for the each reporting period.



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
Unfunded:		
Present value of benefit obligation at the end of the year	10.00	9.09
Fair value of plan assets at the end of the year	-	-
Unfunded status -Surplus	10.00	9.09

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	9.09	9.46
Current service cost	4.36	6.24
Interest on defined benefit obligation	0.55	0.63
Remeasurements due to:		
Actuarial (gain) arising from changes in financial assumptions	-	(0.30)
Actuarial loss arising from experience adjustments	(1.18)	(6.05)
Benefits paid	(2.82)	(0.89)
Closing of defined benefit obligation	10.00	9.09

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	-	-
Employer contribution	1.18	0.89
Benefits paid	(1.18)	(0.89)
Closing of Fair Value of plan assets	-	-

Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Core Employees

Particulars	As at March 31, 2023		As at March 31, 2022		
	Impact on defined benefit obligation		Impact on defined benefit obligation		
	Increase	Decrease	Increase	Decrease	
a) Discount rate (with 1% change)	(0.80)		0.95	8.44	9.85
b) Salary Escalation Rate (with 1% change)	2.95		(2.26)	9.87	8.42
c) Employee Turnover Rate (with 25% change)	1.01		(3.80)	0.85	(1.13)

Notes:

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 reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Statement of Assets and Liabilities.

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

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	-	-
2-5 years	-	0.30
6-10 years	0.55	0.27
More than 10 years	59.29	13.11

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		
Other financial assets	71.77	3.86
Current		
Trade receivables	78.41	112.78
Cash and cash equivalents	93.68	102.27
Other financial assets	116.62	113.34
Financial Liabilities measured at amortised cost		
Non-Current		
Lease liabilities	-	4.52
Current		
Lease liabilities	1.98	10.14
Trade payables	23.31	11.60
Other financial liabilities	51.68	71.36

Note:

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



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30.2 Capital risk 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 (lease liabilities after deducting cash and bank balances) and equity of the Company (comprising issued capital and retained earnings as disclosed in notes 11 and 12).

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (A)	1.98	14.66
Cash and cash equivalents (including other bank balances) (B)	93.68	102.27
Net debt (C) = (A)-(B)	(91.70)	(87.61)
Total Equity (D)	319.95	269.41
Net debt to equity ratio (C/D)	(0.29)	(0.33)

Debt is defined as long-term and short-term lease liabilities as detailed in note 26.

Equity includes share capital and other equity of the Company as detailed in notes 11 and 12 respectively.

30.3 Financial risk management objectives

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



4

30.3 Financial risk management objectives (Continued)

Maturities of financial liabilities

Table showing maturity profile of non-derivative financial liabilities:
(Excludes maturity analyses of lease liabilities which has been disclosed in Note 26 of the financial information)

Particulars	Up to One year	1-5 years	Total
As at March 31, 2023			
Trade payables	23.31	-	23.31
Other financial liabilities	51.68	-	51.68
As at March 31, 2022			
Trade payables	11.60	-	11.60
Other financial liabilities	71.36	-	71.36

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 from 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

- i. 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.
- ii. The Company has not borrowed any specific purpose loan.
- iii. During the year, the Company has not traded or invested in Crypto currency or Virtual Currency.
- iv. There were no Scheme of Arrangements entered by the Company during the period/year, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- v. During the year, 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.
- vi. The Company does not hold any investment property as at each balance sheet date.
- vii. The Company has not received any fund during each reporting period from any person or entity, including foreign for the purpose of lending, investing or providing guarantee or security.
- viii. During the financial year, the Company has not defaulted in filing any charge or satisfaction of charge to Registrar of Companies.
- ix. During the financial year, the Company has not been declared wilful defaulter by the banks and has been regular in satisfying its dues, outstanding to banks.
- x. The Company is not required to submit quarterly statements to the banks based on books of accounts.
- xi. The Company doesn't have any unsecured borrowings as at the end of the year.



32 Ratio analysis

a. Current ratio = Current assets divided by current liabilities

Particulars	March 31, 2023	March 31, 2022
Current Assets	291.29	331.23
Current Liabilities	99.59	142.10
Ratio	2.92	2.33
% Change from previous year	25.32%	

The current ratio has increased by more than 50% as compared to previous year ended March 31, 2022 on account of significant reduction in the current portion of lease liabilities and statutory payments.

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

Particulars	March 31, 2023	March 31, 2022
Total debt	1.98	14.66
Total equity	319.95	269.41
Ratio	0.01	0.05
% Change from previous year	(80.00%)	

The Company does not have any debts in its books other than lease liability. The lease liability has dropped significantly due to payments made during the year and the lease term ending in June 2023. Hence, the debt equity ratio has reduced by 80% as compared to March 31, 2022

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

Particulars	March 31, 2023	March 31, 2022
Profit after tax	50.03	80.23
Add: Non cash operating expenses and finance cost		
Depreciation and other non cash operating expenses	16.88	12.02
Finance costs	2.68	19.04
Earnings available for debt service	69.59	111.29
Total Debt	1.98	14.66
Ratio	35.16	7.59
% Change from previous year	363.24%	

The Company does not have any debts in its books other than lease liability. The lease liability has dropped significantly due to payments made during the year and the lease term ending in June 2023. Hence, the debt service coverage ratio has increased during the current period.

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	50.03	80.23
Average shareholder's equity	294.68	226.92
Ratio (in %)	16.98%	35.36%
% Change from previous year	(51.98%)	

The return on equity has reduced during the current year due to global slowdown in the IT sector. The slowdown has led to reduced revenues for the Company as compared to the previous year, which in turn has reduced the profits for the current year. Also, the Company has taken an impact of prior period tax of approximately ₹24 millions which has led to a reduced profit after tax and reduced return on equity ratio.

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

Particulars	March 31, 2023	March 31, 2022
Revenue from operations	1,008.78	1,158.53
Average Trade receivables	95.59	114.08
Ratio	10.55	10.16
% Change from previous year	3.84%	



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

Particulars	March 31, 2023	March 31, 2022
Other Expenses*	192.86	289.88
Average Trade payables	17.45	25.58
Ratio	11.05	11.33
% Change from previous year	(2.47%)	

* Other expenses: 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.

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

Particulars	March 31, 2023	March 31, 2022
Net Sales	1,008.78	1,158.53
Working Capital	191.70	189.13
Ratio	5.26	6.13
% Change from previous year	(14.19%)	

The net capital turnover ratio has reduced during the current year on account of reduction of the working capital which is primarily due to decrease in current liabilities. Also, the revenue from operation has reduced during the year due to the slowdown in the IT sector. This combined with increased working capital has reduced the net capital turnover ratio.

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

Particulars	March 31, 2023	March 31, 2022
Net profit after tax	50.03	80.23
Net Sales	1,008.78	1,158.53
Ratio (in %)	4.96%	6.93%
% Change from previous year	(28.43%)	

The net profit ratio has reduced during the current year due to significant reduction of net profit during the year. The reduction of net profit is mainly because of reduction in revenue from operation. Also, the Company has taken impact of prior year taxes during the current year which has lead to a reduced net profit.

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	98.65	114.60
Add: Finance costs	2.68	19.04
EBIT	101.33	133.64
Capital employed	292.12	248.71
Ratio (in %)	34.69%	53.73%
% Change from previous year	(35.44%)	

The return on capital employed has reduced during the current year due to significant reduction of earnings during the year. The reduction of earnings is mainly because of reduction in revenue from operation. Also, the employee benefit expenses has increased by ~11% in proportion to the revenue as compared to previous year.

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.

ii. 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 + depreciation and amortisation expense + finance cost + gain/(Loss) on disposal of property, plant and equipment + gain/(loss) on fair valuation/settlement of put option liability.	Total debt : Non-current borrowings + current borrowings + non-current lease liabilities + current lease liabilities + interest accrued
Return on Equity Ratio	profit/(loss) 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+Purchase of traded goods.	Average Trade payable: (Opening trade payable + closing trade payable)/2
Net capital turnover ratio	Net sales : Revenue from operations	Working capital: current assets - current liabilities
Net profit ratio	profit/ (loss) after tax	Net sales : Revenue from operations
Return on Capital employed	Earnings before interest and taxes: profit/(loss) before tax + Finance cost	Capital employed: Tangible net worth + total debt + deferred tax liability
Return on Investment	This ratio is not applicable since the Company does not have any projects / investments other than current operations.	



Rlabs Enterprise Services Limited
Notes forming part of the Financial Statements
All amounts are ₹ in Million unless otherwise stated

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 November 13, 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 period in which, the Code becomes effective and the related rules to determine the financial impact are published.

34 Previous year's financial statements were audited by a firm of Chartered Accountants other than Deloitte Haskins & Sells LLP.

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



For and on behalf of the Board of Directors of
Rlabs Enterprise Services Limited


Sudhakar Bafakrishnan
Director

DIN - 00062956
Date: June 23, 2023
Place: Bangalore



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





