6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company adheres to ISO 27001 and ISO 27701 to ensure compliance to cyber security and privacy requirements along with further GDPR and PIMS requirements for data privacy.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches: 0

b. Percentage of data breaches involving personally identifiable information of customers: 0

c. Impact, if any, of the data breaches: Not Applicable

Leadership Indicator

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the products and services provided by Happiest Minds is available on the Company's website, https://www.happiestminds.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Not Applicable owing to the nature of business.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

Not Applicable owing to the nature of business.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- Owing to the nature of business, the Company does not display any product information over its products.
- Yes, the Company carries out Annual Customer Happiness Survey to understand the level of satisfaction and receive feedback around the same.

FINANCIAL STATEMENTS

183 - 357

Independent Auditor's Report

To The Members of Happiest Minds Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Happiest Minds Technologies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and 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 on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information which are incorporated the financial statements of Happiest Minds Technologies Share Ownership Plans Trust (the "ESOP trust") for the year ended on that date audited by the other auditor ("trust auditor").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the trust auditor on separate financial statements referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the trust auditor in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Fixed price contracts using the percentage of completion method** *(refer note 2(a) and note 26 of the standalone Ind AS financial statement)* Revenue from fixed-price contracts where the performance obligations are satisfied over time, is recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Company to determine the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The estimation of total project costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. We identified the revenue recognition for fixed price contracts where the percentage-of-completion method is used as a key audit matter because of the significant judgement involved in estimating the efforts to complete such contracts. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts incurred to-date and estimates of efforts to complete the contract. This required a high degree of auditor judgement in evaluating the audit evidence supporting the estimated efforts to complete and a higher extent of audit effort to evaluate the reasonableness of the total estimated efforts used to recognise revenue on fixed-price contracts.	**Principal audit procedures performed:** Our audit procedures related to estimates of efforts to complete for fixed-price contracts accounted using the percentage-of-completion method included the following, among others: • We tested the effectiveness of controls relating to (1) recording of efforts incurred and estimation of efforts to complete the remaining contract performance obligations, and (2) access and application controls pertaining to time recording and allocation systems, which prevents unauthorized changes to recording of efforts incurred. • We evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation, by comparing actual information to estimates, for performance obligations that have been fulfilled. • We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: ◦ Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time was appropriate, and the contract was included in management's calculation of revenue over time. ◦ Evaluated the appropriateness of and consistency in the application of management's policies and methodologies to estimate progress towards satisfying the performance obligation. ◦ Compared efforts incurred with data from the timesheet application system. ◦ Tested the estimate for consistency with the status of delivery of milestones and customer acceptances to identify possible delays in achieving milestones, which require changes in estimated efforts to complete the remaining performance obligations. We assessed the adequacy of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report 2023-24, but does not include the standalone financial statements and our auditor's report thereon. The report is expected to be made available to us after the date of this auditor's report.

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the ESOP trust is traced from their financial statements audited by the trust auditors.

- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and the ESOP trust to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors. For the other entities or business activities included in the standalone financial statements, which have been audited by the trust auditor, such trust auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of ESOP trust included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 24,651 Lakhs as at March 31, 2024, total revenue of ₹ Nil and net cash flows amounting to ₹ 882 Lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements of the ESOP trust have been audited by the trust auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the ESOP trust and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid ESOP trust, is based solely on the report of such trust auditor.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the trust auditor on the separate financial statements of the ESOP trust, referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the trust auditor.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and with the financial statements received from the trust auditors.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 41 of the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in note 46 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

1. In respect of accounting software used for maintaining revenue records, audit trail was not enabled at the database level to log any direct data changes;

2. The Company migrated to a new accounting software for maintaining payroll records on October 1, 2023. Based on our examination which included test checks, in respect of the earlier software used for maintaining the payroll records for the period April 1, 2023 to September 30, 2023 audit trail was not enabled at the database level to log any direct data changes; and

3. In respect of the accounting software operated by a third party software service provider, for maintaining payroll records, with effect from October 01, 2023 based on the independent auditor's service organisation report covering the requirement of audit trail, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level and the same has operated during the period October 1, 2023 till December 31, 2023. No instance of audit trail feature being tampered with has been reported in such independent auditor's report for the aforesaid period. In the absence of an independent auditor's report covering the audit trail requirement for the remaining period, we are unable to comment whether the audit trail feature of the said software was enabled and operated post December 31, 2023, for all relevant transactions recorded in the software or whether there was any instance of the audit trail feature been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 24060408BKFSLP2254)
Place: Bengaluru
Date: May 6, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Happiest Minds Technologies Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 24060408BKFSLP2254)
Place: Bengaluru
Date: May 6, 2024

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets, during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans, the details of which are given below:

(₹ in Lakhs)

	Loans	Advances in nature of loans	Guarantees	Security
A. Aggregate amount granted / provided during the year:				
- Subsidiaries	-	-	-	-
- Joint Venture	-	-	-	-
- Associates	-	-	-	-
- Others	301	-	-	-
B. Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	1,668	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	16	-	-	-

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

vii. In our opinion, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though the delays in deposit have not been serious.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax act, 2017	Goods and Service Tax	1,029 lakhs ^	1 July 2017 to 31 March 2018	Joint Commissioner (Appeals)

^ Net of ₹ 48 Lakhs is paid under protest

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the Financial Statements of the Company, funds raised on short term basis, have, prima facie, not been used during the year, for long term purposes by the Company.

(e) On an overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up to the date of this report).

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2024, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment Company with the Group (as identified in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 24060408BKFSLP2254)
Place: Bengaluru
Date: May 6, 2024

Standalone Balance Sheet

as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	13,687	13,111
Capital work-in-progress	3	9	185
Goodwill	4	611	611
Other intangible assets	4	312	394
Intangible assets under development	4	22	81
Right-of-use assets	5	5,698	5,786
Financial assets			
i. Investments	6	19,719	19,719
ii. Loans	7	-	2,465
iii. Other financial assets	8	2,450	9,349
Income tax assets (net)	9	1,330	1,196
Other assets	10	32	93
Deferred tax assets (net)	11	1,636	1,246
Total non-current assets		**45,506**	**54,236**
Current assets			
Financial assets			
i. Investments		-	-
ii. Trade receivables	12	23,196	19,885
iii. Cash and cash equivalents	13	10,682	5,966
iv. Bank balance other than cash and cash equivalents	14	1,21,673	61,441
v. Loans	7	1,684	64
vi. Other financial assets	8	13,611	11,901
Other assets	10	4,435	4,147
Total current assets		**1,75,281**	**1,03,404**
Total assets		**2,20,787**	**1,57,640**
Equity and liabilities			
Equity			
Equity share capital	15	2,987	2,866
Other equity	17	1,44,383	79,732
Total equity		**1,47,370**	**82,598**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	10,445	11,278
ii. Lease liabilities	20	4,570	4,761
iii. Other financial liabilities	21	401	1,996
Provisions	22	2,988	2,179
Total non-current liabilities		**18,404**	**20,214**

Standalone Balance Sheet (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Current liabilities			
Contract liabilities	23	1,417	759
Financial liabilities			
i. Borrowings	19	33,792	36,377
ii. Lease liabilities	20	2,412	1,859
iii. Trade payables	24		
(A) Total outstanding due of Micro enterprises and Small enterprises		165	83
(B) Total outstanding due of creditors other than Micro enterprises and Small enterprises.		6,715	6,160
iv. Other financial liabilities	21	5,751	5,590
Other current liabilities	25	2,671	2,243
Provisions	22	2,090	1,757
Total current liabilities		**55,013**	**54,828**
Total liabilities		**73,417**	**75,042**
Total equity and liabilities		**2,20,787**	**1,57,640**
Summary of material accounting policies	2		

The notes referred to above form an integral part of the Standalone Financial Statements.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from contract with customers	26	1,47,288	1,33,255
Other income	27	11,126	2,234
Total income		**1,58,414**	**1,35,489**
Expenses			
Employee benefits expense	28	94,772	78,690
Depreciation and amortisation	29	3,430	2,996
Finance costs	30	4,227	2,150
Other expenses	31	23,632	22,485
Total expenses		**1,26,061**	**1,06,321**
Profit before exceptional items and tax		**32,353**	**29,168**
Exceptional items	32	143	-
Profit before tax		**32,496**	**29,168**
Tax expense	33		
Current tax		8,320	7,889
Deferred tax charge/ (credit)		(397)	(359)
		7,923	**7,530**
Profit for the year		**24,573**	**21,638**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Net movement on effective portion of cash flow hedges	37(B)	403	(631)
Income tax effect	33	(101)	159
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**302**	**(472)**

Standalone Statement of Profit and Loss (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement losses on defined benefit plans	35	(376)	(125)
Income tax effect	33	95	31
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(281)**	**(94)**
Other comprehensive income for the year, net of tax		**21**	**(566)**
Total comprehensive income for the year		**24,594**	**21,072**
Earnings per equity share:	34		
Equity shares of par value ₹ 2/- each			
Basic, computed on the basis of profit for the year attributable to equity holders of the Company (₹)		16.55	15.11
Diluted, computed on the basis of profit for the year attributable to equity holders of the Company (₹)		16.55	15.00
Summary of material accounting policies	2		

The notes referred to above form an integral part of the Standalone Financial Statements.

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

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

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Standalone Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities			
Profit before tax		**32,496**	**29,168**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/ amortisation of property, plant and equipment, intangibles and right-of-use assets		3,430	2,996
Share-based payment expense		47	120
Gain on sale of investment carried at fair value through profit and loss		(18)	(803)
Gain on derecognition of contingent consideration		(143)	-
Interest income		(8,036)	(2,725)
Unrealised foreign exchange (gain)/ loss		(105)	1,209
Rent concession		-	(71)
Impairment loss on financial assets		433	-
Dividend from subsidiary		(2,500)	-
Provision no longer required/ written-off		(78)	-
Finance costs		4,227	2,150
Operating cash flow before working capital changes		**29,753**	**32,044**
Movements in working capital:			
(Increase) in trade receivables		(3,656)	(3,687)
Decrease/ (Increase) in loans		48	(60)
(Increase) in non-financial assets		(227)	(1,004)
(Increase) in financial assets		(1,316)	(2,092)
Increase in trade payables		633	936
Increase/ (Decrease) in financial liabilities		205	(650)
Increase in provisions		766	495
Increase/ (Decrease) in contract liabilities		727	(213)
Increase/ (Decrease) in other non-financial liabilities		428	(184)
		27,361	**25,585**
Income tax paid, net of refunds		(8,454)	(8,406)
Net cash flows from operating activities	**(A)**	**18,907**	**17,179**
Investing activities			
Purchase of property, plant and equipment		(823)	(13,096)
Purchase of intangible assets		(207)	(409)
Maturities of / (Investment in) bank deposit, net		(53,080)	(57,495)
Acquisition of subsidiary		-	(10,987)
Proceeds from loan to subsidiary		830	-
Investment in mutual funds		(2,550)	-
Proceeds from sale of mutual funds		2,568	47,203
Interest received		7,253	440
Dividend from Subsidiary		2,500	-
Net cash flows used in investing activities	**(B)**	**(43,509)**	**(34,344)**

Standalone Statement of Cash Flows (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Financing activities			
Repayment of long-term borrowings		(2,608)	(2,609)
Proceeds from long-term borrowings		-	12,383
(Repayments)/ Proceeds from short-term borrowings (net)		(1,439)	4,721
Proceeds from issue of redeemable non-convertible debentures		8,000	4,500
Repayment of Loan from subsidiary		(900)	900
Payment of principal portion of lease liabilities		(2,161)	(2,004)
Payment of interest portion of lease liabilities		(614)	(544)
Proceeds from issue of equity shares (net of share issue expense)		48,556	-
Dividend paid		(8,604)	(5,715)
Proceeds from exercise of share options		181	147
Payment of contingent consideration		(1,244)	-
Interest paid		(3,346)	(1,533)
Net cash flows from/ (used) in financing activities	**(C)**	**35,821**	**10,246**
Net decrease in cash and cash equivalents	**[(A)+(B)+(C)]**	11,219	(6,919)
Net foreign exchange difference		43	165
Cash and cash equivalents at the beginning of the year		5,966	5,601
Less : Bank overdraft at the beginning of the year		(7,119)	-
Cash and cash equivalents at the end of the year		**10,109**	**(1,153)**
Components of cash and cash equivalents	13		
Balance with banks			
- on current account		3,842	4,313
- in EEFC accounts		4,640	1,653
Deposits with original maturity of less than three months		2,200	-
Less : Bank overdraft		(573)	(7,119)
Total cash and cash equivalents		**10,109**	**(1,153)**
Non-cash investing activities:			
Acquisition of subsidiary / Changes in value of contingent consideration		1,389	2,707
Acquisition of Right-of-use assets	5	2,571	4,318
Summary of material accounting policies	2		

The notes referred to above form an integral part of the Standalone Financial Statements.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

a) Equity share capital

For the year ended March 31, 2024	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2023	**14,31,88,555**	**2,866**
Issue of shares	54,11,255	106
Exercise of share options - refer note 15 (ii) (1)	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**

For the year ended March 31, 2023	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2022	**14,26,08,867**	**2,854**
Exercise of share options - refer note 15 (ii) (1)	5,79,688	12
As at March 31, 2023	**14,31,88,555**	**2,866**

b) Other equity

For the year ended March 31, 2024	Reserves and Surplus			Cash flow hedge reserve (Note 17)	Total equity
	Securities premium (Note 17)	Share options outstanding reserve (Note 17)	Retained earnings (Note 17)		
As at April 1, 2023	**41,556**	**266**	**38,240**	**(330)**	**79,732**
Profit for the year	-	-	24,573	-	24,573
Other comprehensive income	-	-	(281)	302	21
Total comprehensive income	**-**	**-**	**24,292**	**302**	**24,594**
Exercise of share option by employees	164	-	-	-	166
Transaction costs, net of recovery or reimbursement of expense on issue of shares	(1,444)	-	-	-	(1,444)
Transferred to retained earnings for options forfeited	-	(6)	6	-	-
Transferred to securities premium for options exercised	144	(144)	-	-	-
On issue of equity shares	49,894	-	-	-	49,894
Dividend - refer note 18	-	-	(8,604)	-	(8,604)
Share-based payments expense - refer note 42	-	47	-	-	47
As at March 31, 2024	**90,314**	**163**	**53,934**	**(28)**	**1,44,383**

Standalone Statement of Changes in Equity (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Other equity

For the year ended March 31, 2024	Reserves and Surplus			Cash flow hedge reserve (Note 17)	Total equity
	Securities premium (Note 17)	Share options outstanding reserve (Note 17)	Retained earnings (Note 17)		
As at April 1, 2022	**41,205**	**385**	**22,388**	**142**	**64,120**
Profit for the year	-	-	21,638	-	21,638
Other comprehensive income	-	-	(94)	(472)	(566)
Total comprehensive income	**-**	**-**	**21,544**	**(472)**	**21,072**
Exercise of share option by employees	135	-	-	-	135
Transaction costs, net of recovery or reimbursement of expense on issue of shares	-	-	-	-	-
Transferred to retained earnings for options forfeited	-	(23)	23	-	-
Transferred to securities premium for options exercised	216	(216)	-	-	-
Dividend - refer note 18	-	-	(5,715)	-	(5,715)
Share-based payments expense - refer note 42	-	120	-	-	120
As at March 31, 2023	**41,556**	**266**	**38,240**	**(330)**	**79,732**

Summary of material accounting policies **2**

The notes referred to above form an integral part of the Standalone Financial Statements.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Corporate Information

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

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

The Company's Standalone Financial Statements for the year ended March 31, 2024 were approved by Board of Directors on May 6, 2024.

1 Basis of preparation of Standalone Financial Statements

(a) Statement of Compliance

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

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

These Standalone Financial Statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2024.

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

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

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

c) Derivative financial instruments

d) Contingent consideration

(b) Functional currency and presentation currency

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

(c) Use of estimates and judgements

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

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

Judgements:

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

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

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2024 is included in the following notes:

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

(d) Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

2 Material accounting policies

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

(a) Revenue recognition

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

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

Revenue from rendering of services

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

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

Trade receivables

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

Variable consideration

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

Sale of licenses

Revenue from sale of licenses , where the customer obtains a “right to use” the licenses is recognized at the point in time when the related license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period and is included in Revenue from Services. For allocating the transaction price to sale of licenses and related implementation and maintenance services, the Company measures the revenue in respect of each performance obligation of a contract as its relative standalone selling price. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fee is considered as single performance obligation and revenue is recognized as per input method.

Revenue for supply of third party products or services are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Contract balances

Contract assets: The Company classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current assets. Trade receivables and unbilled revenue is presented net of impairment.

Further, the Company recognizes contract assets towards costs of obtaining a contract with customers if it is expected to recover the costs. Such contract assets is classified as "other current assets."

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

Interest income

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

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

Dividend income

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

(b) Business Combination

The Company accounts for its business combinations under acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in other expenses.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

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

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

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS - 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit and loss in accordance with Ind AS - 109. If the contingent consideration is not within the scope of Ind AS - 109, it is measured in accordance with the appropriate Ind AS and shall be recognized in the Statement of Profit and Loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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

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

(c) Property, plant and equipment

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

Class of asset	Useful life as per schedule II	Useful life as per Company
Furniture and fixtures	10 years	5 years
Office equipment (including solar panels)	5 years - 15 years	4 years-15 years
Buildings	60 years	50 years
Computer systems	6 years for servers 3 years for other than servers	2.5-3 years

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

The useful lives have been determined based on technical evaluation done by the management's expert which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Intangible assets

Goodwill

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

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

Other intangible assets

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

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

Amortisation methods and periods

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

Asset	Life in Years
Computer software	2.5-3 years

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

(e) Impairment of non-financial assets

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

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

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

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

(f) Borrowing cost

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

(g) Leases

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

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

Company as lessee

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

Right-of-use assets

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

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

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

Lease liabilities

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Short-term leases and leases of low-value assets

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

Lease and non-lease component

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

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

Extension and termination option

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

(h) Investment in subsidiary

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

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

(i) Financial Instruments

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

Non-derivative financial instruments :

a) Financial assets

Initial recognition and measurement

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

Equity investments

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

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

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

Derecognition

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

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

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

Reclassification of financial assets

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Impairment of financial assets

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

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

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

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

- Trade receivables, unbilled revenue and contract assets

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

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

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

b) Financial Liabilities :

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit and loss (FVTPL)

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

c) Loans and Borrowings

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

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

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

Derecognition

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

d) Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting:

Initial recognition and subsequent measurement :

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

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

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

Cash flow hedges

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

(j) Fair value measurement

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

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

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

(k) Cash and cash equivalents

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(l) Foreign currency translation

(i) Functional and presentation currency:

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

(ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit and Loss.

(m) Employee Benefits

Short-term obligations

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

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

Other long-term employee benefit obligations

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

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

Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Gratuity obligations

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Statement of Changes in Equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss subsequently.

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

Defined contribution plan

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

(n) Employee share based payments

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

Equity-settled transactions:

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

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

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

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

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

(o) Exceptional items

Exceptional items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Group and, therefore, are not expected to recur frequently or regularly. In accordance with the requirements of Guidance Note on Schedule III to the Companies Act 2023, exceptional items are disclosed on the face of the Statement of Profit and Loss and details of the individual items are disclosed in the Notes.

(p) Taxation

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Current income tax

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

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

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

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

Deferred tax

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

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

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

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

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

(q) Treasury shares

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

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

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

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

(r) Provisions and Contingent Liabilities

Provisions

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

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

Provision for warranty

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

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the Standalone Financial Statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

(s) Segment reporting

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

(t) Earnings/(Loss) per share

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

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

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

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

(u) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(v) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1 April 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.

- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases. The Company previously recognised for deferred tax on leases on a net basis. Pursuant to the aforementioned amendment, the Company has grossed-up the deferred tax assets and deferred tax liabilities recognised in relation to leases w.e.f. 1st April, 2022. However, there is no impact on the net deferred tax liabilities in the Standalone Balance Sheet

(w) Critical estimates and judgements

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Significant judgements and estimates

(a) Defined benefit plans

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

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

(b) Impairment of Investment in subsidiary

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

(c) Revenue recognition

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

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

(d) Impairment of Goodwill

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

(e) Deferred taxes

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

3 Property, plant and equipment

	Land	Building	Computer Systems	Office equipments	Furniture and fixtures	Leasehold improvements	Total	Capital work-in-progress
Cost or valuation								
As at April 1, 2022	**-**	**-**	**265**	**144**	**25**	**71**	**505**	**-**
Additions	4,423	8,354	164	121	43	159	13,264	185
Transfers from CWIP	-	-					-	-
Disposals	-	-	(48)	-	(1)		(49)	-
As at March 31, 2023	**4,423**	**8,354**	**381**	**265**	**67**	**230**	**13,720**	**185**
Additions	-	-	188	103	3	-	294	529
Transfers from CWIP	-	132	169	183	133	88	705	(705)
Disposals	-	-	(16)	-	-	-	(16)	-
As at March 31, 2024	**4,423**	**8,486**	**722**	**551**	**203**	**318**	**14,703**	**9**
Accumulated depreciation								
As at April 1, 2022	**-**	**-**	**229**	**115**	**25**	**59**	**428**	**-**
Charge for the year	-	119	62	21	5	23	230	-
Disposals	-	-	(48)	-	(1)		(49)	-
As at March 31, 2023	**-**	**119**	**243**	**136**	**29**	**82**	**609**	**-**
Charge for the year	-	168	142	53	21	39	423	-
Disposals	-	-	(16)	-	-	-	(16)	-
As at March 31, 2024	**-**	**287**	**369**	**189**	**50**	**121**	**1,016**	**-**
Net book value								
As at March 31, 2023	**4,423**	**8,235**	**138**	**129**	**38**	**148**	**13,111**	**185**
As at March 31, 2024	**4,423**	**8,199**	**353**	**362**	**153**	**197**	**13,687**	**9**

Note:

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

(ii) All property, plant and equipment are owned by the Company unless otherwise stated.

(iii) There are no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Capital work-in-progress (CWIP) Ageing

As at March 31, 2024

	Amount in CWIP for a period				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9	-	-	-	9
Projects temporarily suspended	-	-	-	-	-
Total	**9**	**-**	**-**	**-**	**9**

As at March 31, 2023

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

4 Goodwill and other intangible assets

i) Goodwill

	March 31, 2024	March 31, 2023
Cost or valuation		
Deemed cost		
As at April 01	2,498	2,498
As at March 31	**2,498**	**2,498**
Accumulated Impairment		
As at April 01	1,887	1,887
As at March 31	**1,887**	**1,887**
Net book value as at March 31	**611**	**611**

ii) Other intangible assets

	Other intangible assets				Intangible assets under development
	Customer relationships	Non-compete	Computer software	Total	
Cost or valuation					
As at April 1, 2022	**204**	**11**	**601**	**816**	**35**
Additions	-	-	363	363	46
Transfer from intangible assets under development	-	-	-	-	-
As at March 31, 2023	**204**	**11**	**964**	**1,179**	**81**
Additions	-	-	230	230	11
Transfer from intangible assets under development	-	-	36	36	(70)
As at March 31, 2024	**204**	**11**	**1,230**	**1,445**	**22**
Accumulated amortisation					
As at April 1, 2022	**204**	**11**	**330**	**545**	**-**
Charge for the year	-	-	240	240	-
As at March 31, 2023	**204**	**11**	**570**	**785**	**-**
Charge for the year	-	-	348	348	-
As at March 31, 2024	**204**	**11**	**918**	**1,133**	**-**
Net book value					
As at March 31, 2023	**-**	**-**	**394**	**394**	**81**
As at March 31, 2024	**-**	**-**	**312**	**312**	**22**

Intangible Assets under Development (IAUD) Ageing

As at March 31, 2024	Amount in IAUD for a period				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17	5	-	-	22
Projects temporarily suspended	-	-	-	-	-
Total	**17**	**5**	**-**	**-**	**22**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Impairment of goodwill

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

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

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

	IoT	
	March 31, 2024	March 31, 2023
Discount rate	19.30%	22.89%
Long term growth rate	4.00%	4.00%
Sales growth	15.00%	10.00%
Carrying value of goodwill	611	611

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

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

5 Right-of-use assets

	Computer systems	Office equipment	Office buildings	Motor vehicles	Total
As at April 1, 2022	**1,578**	**-**	**3,805**	**6**	**5,389**
Additions	1,143	125	2,867	183	4,318
Disposals	-	-	(1,395)	-	(1,395)
Depreciation	(1,186)	(9)	(1,304)	(27)	(2,526)
As at March 31, 2023	**1,535**	**116**	**3,973**	**162**	**5,786**
Additions	1,069	-	1,440	62	2,571
Disposals	-	-	-	-	-
Depreciation	(1,320)	(20)	(1,253)	(66)	(2,659)
As at March 31, 2024	**1,284**	**96**	**4,160**	**158**	**5,698**

The average lease period of the leased assets is 4 years (March 31, 2023: 3.9 years).

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	March 31, 2024	March 31, 2023
Rent concession income	-	71
	-	**71**
Interest expense on lease liabilities - refer note 30	614	544
Depreciation of Right-of-use assets - refer note 29	2,659	2,526
Rent expense pertaining to short- term leases - refer note 31	483	307
	3,756	**3,377**

6 Investments

Unquoted, carried at cost less impairment

	March 31, 2024	March 31, 2023
Investment in Subsidiary:		
Investment in Equity shares of Happiest Minds Inc. (formerly known as PGS Inc.)	6,025	6,025
1,00,000 (March 31, 2023 : 1,00,000) equity shares of face value of $1 each, fully paid		
Investment in Equity shares of Sri Mookambika Infosolutions Private Limited	13,694	13,694
10,000 (March 31, 2023 : 10,000) equity shares of face value of ₹ 100 each, fully paid		
	19,719	**19,719**
Less: Impairment in value of investment	-	-
	19,719	**19,719**
Aggregate amount of quoted investment and market value thereof	-	-
Aggregate amount of unquoted investment	19,719	19,719
Aggregate amount of impairment in the value of investments	-	-

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

Name of entity	Nature	Country of incorporation	Ownership interest held by Company in %	
			March 31, 2024	March 31, 2023
Happiest Minds Inc. (formerly known as PGS Inc.)	Subsidiary	USA	100	100
Sri Mookambika Infosolutions Private Limited	Subsidiary	India	100	100

7 Loans

Carried at amortised cost

	March 31, 2024	March 31, 2023
Non-current		
Loans considered good - Unsecured		
Loans to Subsidiary - refer note 39	-	2,465
	-	**2,465**
Current		
Loans considered good - Unsecured		
Loans to Subsidiary - refer note 39	1,668	-
Loans to employees	16	64
	1,684	**64**

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

8 Other financial assets

		March 31, 2024	March 31, 2023
(a)	**Other financial assets carried at amortised cost**		
	(unsecured, considered good, unless otherwise stated)		
	Non-current		
	Fixed deposit with maturity of more than 12 months	11	7,131
	Margin money deposits - refer note (i) below	1,688	1,720
	Security deposit	751	498
		2,450	**9,349**
(i)	Margin money deposit is used to secure:		
	Term loan - Federal bank	914	952
	Guarantees given	774	768
	Current		
	Interest accrued on fixed deposit	1,618	900
	Unbilled revenue #	11,064	10,311
	Security deposit	111	186
	Interest accrued on loan to subsidiary - refer note 39	193	162
	Other receivables	422	44
		13,408	**11,603**
	Security deposit - credit impaired	1	1
	Less: Allowance for credit impaired loans	(1)	(1)
	Less: loss allowance on unbilled revenue	(227)	(231)
		13,181	**11,372**

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time. Includes ₹ 64 Lakhs (March 31, 2023 : ₹ 71 Lakhs) from related party. Refer note 39

		March 31, 2024	March 31, 2023
(b)	**Derivative instruments carried at fair value through OCI**		
	Designated as Cash flow hedges		
	Foreign currency forward contracts - refer note 37 (B)	111	166
	Cross currency interest rate swap - refer note 37 (B)	319	363
		430	**529**
Total other current financial assets		**13,611**	**11,901**

9 Income tax assets (net)

	March 31, 2024	March 31, 2023
Non - current		
Income tax assets (net)	1,330	1,196
	1,330	**1,196**

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

10 Other assets

	March 31, 2024	March 31, 2023
Non - current		
Prepaid expenses	32	93
	32	**93**
Current		
Prepaid expenses	2,027	1,698
Balances with statutory / government authorities	387	308
Advance to employees against expenses	165	160
Advance to suppliers - refer note 39	445	145
Other advances	-	407
Contract assets	1,437	1,462
	4,461	**4,180**
Less: loss allowance on contract assets	(26)	(33)
	4,435	**4,147**

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

11 Deferred tax assets (net)

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

	March 31, 2024	March 31, 2023
Deferred tax assets (net)	1,636	1,246
	1,636	**1,246**

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2024 :

	April 1, 2023	Recognised in profit or loss [charge/(credit)]	Recognised in Other comprehensive income [charge/(credit)]	March 31, 2024
Mutual funds	-	-	-	-
Goodwill	(154)	-	-	(154)
Property, plant and equipment and intangible assets	(22)	(210)	-	(232)
Derivative assets	111	-	(101)	10
Loss allowance on trade receivables	132	85	-	217
Lease liability and right-of-use assets	212	117	-	329
Provision for gratuity and leave encashment	735	102	95	932
Employee related liabilities	-	308	-	308
Others	232	(6)	-	227
Deferred tax assets (net)	**1,246**	**397**	**(6)**	**1,636**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

12 Trade receivables

Carried at amortised cost

	March 31, 2024	March 31, 2023
Current		
Trade receivables - others	20,899	18,063
Trade receivables - related party- Refer note 39	2,297	1,822
Total trade receivables	**23,196**	**19,885**
Break-up for security details		
Unsecured, considered good	24,055	20,409
	24,055	**20,409**
Impairment allowance		
Unsecured, considered good	(859)	-524
Trade receivables net of impairment	**23,196**	**19,885**

Trade receivables Ageing Schedule:

As at March 31, 2024	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	17,038	6,311	61	-	-	-	23,410
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	45	143	232	216	9	645
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**17,038**	**6,356**	**204**	**232**	**216**	**9**	**24,055**
Less: Impairment allowance	- -	-		-	-	-	(859)
Total							**23,196**

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

(i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 39

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

(iii) For terms and conditions relating to related party receivables refer note 39

(iv) For unbilled revenue refer note 8

13 Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balances with banks:		
- in current accounts	3,842	4,313
- in EEFC accounts	4,640	1,653
Deposits with original maturity of less than three months - refer note below	2,200	-
	10,682	**5,966**

Note:

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

14 Bank and bank balance other than cash and cash equivalents

	March 31, 2024	March 31, 2023
Fixed deposit	1,10,748	45,432
Margin money deposits - refer note (i) below	10,900	15,997
Balances with bank in unpaid dividend account	25	12
	1,21,673	**61,441**
(i) Margin money deposit is used to secure:		
Working capital facility and bank overdrafts	10,900	15,200
Term loan - Federal bank	-	790
Guarantees given	-	7

15 Share Capital

Equity share capital

i) Authorised share capital

	Numbers	Amount
Equity share capital of ₹ 2 each		
As at April 1, 2022	**22,93,00,000**	**4,586**
Increase during the year	-	-
As at March 31, 2023	**22,93,00,000**	**4,586**
Increase during the year	-	-
As at March 31, 2024	**22,93,00,000**	**4,586**

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

	Numbers	Amount
Equity share capital of ₹ 2 each, fully paid up		
As at April 1, 2022	**14,26,08,867**	**2,854**
Exercise of share options - refer note (1) below	5,79,688	12
As at March 31, 2023	**14,31,88,555**	**2,866**
Issue of shares - refer note (3) below	54,11,255	106
Exercise of share options - refer note (1) below	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**

(1) During the year ended March 31, 2024, Employee Stock Option Trust (ESOP trust) issued 7,54,616 (March 31, 2023 - 5,79,688) equity shares to the employees upon exercise of employee stock options.

(2) The outstanding equity shares as at April 01, 2022, March 31, 2023 and March 31, 2024 are presented net of treasury shares.

(3) The Company raised capital of ₹ 50,000 Lakhs through Qualified Institutions Placement ("QIP") of equity shares. The Fund-Raising Committee of the Board of Directors of the Company, at its meeting held on July 14, 2023, approved the allotment of 54,11,255 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 924 per equity share (including a premium of ₹ 922 per equity share).

(iii) Terms/ rights attached to equity shares

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Details of shareholders holding more than 5% shares in the Company: -

	March 31, 2024		March 31, 2023	
	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of ₹ 2 each fully paid				
Mr. Ashok Soota (Promoter)	5,83,82,277	39.09%	6,00,75,393	41.96%
Ashok Soota Medical Research LLP	1,79,48,784	12.02%	1,79,48,784	12.54%

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

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

(vi) Details of shares held by promoters

As at March 31, 2024	Promoter name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	6,00,75,393	(16,93,116)	5,83,82,277	39.09%	-2.82%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.02%	0.00%

As at March 31, 2023	Promoter name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	6,00,68,668	6,725	6,00,75,393	41.96%	0.01%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.54%	0.00%

16 Instrument entirely in the nature of equity

i) Authorised share capital

	Numbers	Amount
Series A 14% Non Cumulative Compulsorily Convertible Preference shares of ₹ 652 each		
As at April 1, 2022	**2,00,000**	**1,304**
Decrease during the year - refer note below	-	-
As at March 31, 2023	**2,00,000**	**1,304**
Change during the year	-	-
As at March 31, 2024	**2,00,000**	**1,304**

(ii) Terms/ rights attached to convertible preference shares

Each holder of CCPS is entitled to receive a preferential non-cumulative dividend at 14% per annum on the par value of each share if declared by the Board of directors. Holders of CCPS shall receive preferential dividend in preference

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

to dividend payable on equity shares and shall not participate in any further dividends declared on Equity Shares. Preference shareholders are also entitled to vote in the shareholders meeting.

Holders of CCPS are entitled to participate in the surplus proceeds (which is subject to a limit of two times the amount invested) from the liquidation event, if any, on a pro-rata basis along with all other holders of equity shares on a fully diluted basis.

The holders of the preference share at their option can require the Company to convert all or a part of Series A preference shares held by them into equity shares at any time during the conversion period in according to the conversion ratio defined in the agreement (i.e. 1:163).

All the preference shares shall be converted into equity shares in the ratio of 1:163 on occurrence of the following event:

1. On expiry of the conversion period.
2. Later of (a) Date of filing Red herring prospectus with SEBI (b) Such other date as may be permitted by law in connection with Qualified IPO.
3. Upon the holders of a majority of the investors shares exercising the conversion right with respect to preference shares held by them.

(iii) Treasury shares

	No of shares
As at April 1, 2022	**42,54,689**
Issue for cash on exercise of share options	(5,79,688)
As at March 31, 2023	**36,75,001**
Issue for cash on exercise of share options	(7,54,616)
As at March 31, 2024	**29,20,385**

For the terms/rights attached to treasury shares refer note 15 (iii) above

17 Other equity

	March 31, 2024	March 31, 2023
Securities premium account	90,318	41,556
Retained earnings	53,930	38,240
Cash flow hedge reserve	(28)	(330)
Share options outstanding reserve	163	266
	1,44,383	**79,732**
a) Securities premium account		
Opening balance	41,556	41,205
Transaction costs, net of recovery or reimbursement of expense on issue of shares	(1,444)	-
On issue of shares - refer note 15 (ii) (3)	49,894	-
Exercise of share option by employees	164	135
Transferred from ESOP reserve for options exercised	144	216
Transferred from Retained earnings for options exercised	4	-
Closing balance	**90,318**	**41,556**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2024	March 31, 2023
b) Retained earnings		
Opening balance	38,240	22,388
Profit for the year	24,573	21,638
Other comprehensive income recognised directly in retained earnings	(281)	(94)
Dividend - refer note 18	(8,604)	(5,715)
Transferred from share option outstanding reserve for options forfeited	6	23
Transferred to securities premium on options exercised	(4)	-
Closing balance	**53,930**	**38,240**
c) Cash flow hedge reserve		
Opening balance	(330)	142
Net movement on effective portion of cash flow hedges - refer note 37 (B)	302	(472)
Closing balance	**(28)**	**(330)**
d) Share options outstanding reserve		
Opening balance	266	385
Employee compensation expense for the year - refer note 42	47	120
Transferred to retained earnings for options forfeited	(6)	(23)
Transferred to securities premium for options exercised	(144)	(216)
Closing balance	**163**	**266**

(i) Nature and purpose of other reserves

a) Securities premium account :

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

b) Retained earnings :

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

c) Cash flow hedge reserve :

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

d) Share options outstanding reserve :

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

18 Distribution made

	March 31, 2024	March 31, 2023
Dividends on equity shares declared and paid :		
Final dividend paid for the year ended on March 31, 2023 : ₹ 3.4/- per share (March 31, 2022 : ₹ 2/- per share)	4,879	2,856
Interim dividend for the year ended on March 31, 2024 : ₹ 2.5/- per share (March 31, 2023 : ₹ 2/- per share)	3,725	2,859
	8,604	**5,715**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

19 Borrowings

Carried at amortised cost

	March 31, 2024	March 31, 2023
Non current		
Secured		
Term loan from bank		
Foreign currency term loan - refer note (a) below	-	1,870
Rupee term loan - refer note (b) below	11,278	11,986
	11,278	**13,856**
Less: Current maturities of foreign currency term loan	-	(1,870)
Less: Current maturities of rupee term loan	(833)	(708)
Total non-current borrowings	**10,445**	**11,278**
Current		
Secured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (d)	19,886	18,980
Bank overdraft - refer note (f)	573	7,119
Unsecured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (d)	-	2,300
Redeemable non-convertible debentures - refer note (c)	12,500	4,500
Loan from subsidiary - Sri Mookambika Infosolutions Private Limited	-	900
Current maturities of term loans		
Foreign currency term loan from bank - refer note (a)	-	1,870
Rupee term loan from bank - refer note (b)	833	708
Total current borrowings	**33,792**	**36,377**

Notes

(a) Foreign currency term loan of ₹ 6,025 Lakhs (USD 8.25 million) from Federal bank carries a fixed interest rate of 3.2% per annum (March 31, 2023 : 3.2% per annum). The loan is repayable in 36 equal monthly instalments commencing from February 28, 2021 and will mature on Jan 29, 2024. The loan is secured by the way of exclusive charge on movable fixed assets of the Company (excluding leased asset charged to Hewlett Packard) and also by lien on fixed deposit equivalent to two months instalments plus interest (refer note 14). The loan was raised exclusively for funding the acquisition of Happiest Minds Inc. (formerly known as PGS Inc.). The loan has been repaid in full during current financial year

(b) Rupee term loan of ₹ 12,430 Lakhs from Federal bank carries an effective interest rate of 7.9% per annum (March 31, 2023 : 7.9%). The loan is repayable in 120 monthly installment commencing from August 15, 2022 and will mature on July 15, 2032. The proceeds from the loan was utilized for the acquisition of building -SJR Equinox, including the land comprised therein, situated at Electronic City, Bengaluru. The loan is secured by way of exclusive charge on such land and building together with all the fixtures in the building along with lien on fixed deposits equivalent to three months equated monthly instalments (refer note 8).

The Company has entered into an Cross currency interest rate swap with respect to aforementioned loan over the tenure, which has resulted in an effective interest rate of 4.21% per annum.

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

(c) 4,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 4,500 Lakhs were issued during FY 22-23 on a private placement basis carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of allotment. The NCDs were allotted on March 27, 2023 and will mature on March 27, 2026. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the issuer has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling at the expiry of one year or two years from the deemed date of allotment. Consequently, the NCDs are classified as current borrowings.

During the year, the company has issued 4,500 and 3,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 8,000 Lakhs on a private placement basis, carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of respective allotment. NCDs were allotted on 8th May, 2023 and 26th September, 2023 respectively and will mature on 8th May, 2026 and 26th September 2026 respectively. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the issuer has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling on the expiry of one year or two years from the deemed date of allotment. Consequently, the NCDs are classified as current borrowings.

(d) PCFC loan taken from Kotak Mahindra carries an interest rate ranging 5.85% to 6.14% p.a. (March 31, 2023 - 4.91% to 5.51% p.a) and is repayable within 90-120 days.

PCFC loan taken from RBL bank carries an interest rate ranging 6.15% to 6.24% p.a. (March 31, 2023 - 5.68% to 5.88% p.a.) and is repayable within 90-120 days.

PCFC loan taken from Federal bank carries an interest rate of 6.16% p.a. (March 31, 2023 - 5.55% to 5.66% p.a.) and is repayable within 90-120 days.

PCFC loan taken from ICICI bank carries an interest rate of 4.76% to 6.16% p.a. (March 31, 2023 - 5.89% to 5.96% p.a.) and is repayable within 90-120 days.

PCFC loan taken from Axis bank carries an interest rate of 6.16% p.a. (March 31, 2023 - 5.89% to 5.96% p.a.) and is repayable within 90-180 days.

PCFC loan taken from Citibank carries an interest rate of 6.15% to 6.18% p.a. (March 31, 2023 - nil) and is repayable within 90-120 days.

All PCFCs are fully secured by way of pari-passu charge on current assets of the Company.

(e) PCFC loan taken in previous year from Axis bank was unsecured and carried an interest rate of 5.98% p.a and was repayable within 90 days.

(f) Overdraft facility from SBI bank amount to ₹ 9,500 Lakhs (March 31, 2023 - ₹ 15,000 Lakhs) carries an interest rate of 8.50% p.a. (March 31, 2023 - 7.95% p.a) and is repayable on demand. Amount utilised as at March 31, 2024 is 573 Lakhs (March 31, 2023 - ₹ 7,119 Lakhs). Overdraft facility is fully secured by the way of lien on fixed deposit of ₹ 10,700 Lakhs (Refer note 14)

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	Non-current borrowings #	Current borrowings ##
As at April 01, 2022	**3,793**	**15,271**
Financing cash flows (net)	9,774	10,121
Non cash movements:		
Amortisation of transaction cost	18	-
Foreign exchange difference	271	1,288
As at March 31, 2023	**13,856**	**26,680**
Financing cash flows (net)	(2,608)	5,661
Non cash movements:		
Amortisation of transaction cost	17	-
Foreign exchange difference	13	45
As at March 31, 2024	**11,278**	**32,386**

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

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

20 Lease liabilities

Carried at amortised cost

	March 31, 2024	March 31, 2023
Non current		
Lease liabilities	6,982	6,620
	6,982	**6,620**
Less: Current maturities of lease liabilities	(2,412)	(1,859)
Total non-current lease liabilities	**4,570**	**4,761**
Current		
Lease liabilities	2,412	1,859
Total current lease liabilities	**2,412**	**1,859**

(i) **Movement in lease liabilities for year ended March 31, 2024 and March 31, 2023:**

	March 31, 2024	March 31, 2023
Balance at beginning of the year	6,620	5,911
Additions	2,523	4,209
Finance cost incurred during the period - refer note 30	614	544
Disposal	-	(1,431)
Payment of lease liabilities	(2,775)	(2,548)
Rent concession - refer note 27	-	(71)
Exchange difference	-	6
Balance at the end of the year	**6,982**	**6,620**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) **The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023**

	March 31, 2024	March 31, 2023
Less than one year	2,925	2,364
one to five years	5,074	5,374
more than five years	-	-

(iii) The Company had total cash outflow of ₹ 2,775 Lakhs during the year ended March 31, 2024 (March 31, 2023 - ₹ 2,548 Lakhs) for leases recognized in balance sheet. The Company has made a non-cash addition to lease liabilities of ₹ 2,523 Lakhs during the year ended March 31, 2023 (March 31, 2024 - ₹ 4,209 Lakhs).

21 Other financial liabilities

	March 31, 2024	March 31, 2023
Non-current		
Carried at fair value through profit or loss		
Contingent consideration - refer note 36 (iv) and 36 (v)	-	1,292
	-	**1,292**
Carried at fair value through other comprehensive income		
Cash flow hedges		
Cross currency interest rate swap - refer note 37 (B)	401	704
	401	**704**
Total non - current financial liabilities	**401**	**1,996**
Current		
Carried at amortised cost		
Employee related liabilities	3,873	3,598
Unpaid dividend	26	13
Capital creditors	303	386
Accrued interest payable#	92	10
	4,294	**4,007**
Carried at fair value through profit or loss		
Contingent consideration - refer note 36 (iv) and 36 (v)	1,389	1,316
	1,389	**1,316**
Carried at fair value through other comprehensive income		
Cash flow hedges		
Foreign currency forward contracts - refer note 37 (B)	68	267
	68	**267**
Total other current financial liabilities	**5,751**	**5,590**

Includes ₹ 4 Lakhs (March 31, 2023 : ₹ 4 Lakhs) payable to related party. Refer note 39

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

22 Provisions

	March 31, 2024	March 31, 2023
Non-current		
Provision for gratuity - refer note 35	2,988	2,179
	2,988	**2,179**
Current		
Provision for compensated absences - refer note 35	2,080	1,728
Other provisions		
Provision for warranty	10	29
	2,090	**1,757**

Movement during the year - Provision for warranty	
Balance as at April 01, 2022	**26**
Arising during the year	-
Utilised/ reversed during the year	-
Exchange (gain)/ loss	3
Balance as at March 31, 2023	**29**
Arising during the year	1
Utilised/ reversed during the year	(20)
Exchange (gain)/ loss	-
Balance as at March 31, 2024	**10**

23 Contract liabilities

	March 31, 2024	March 31, 2023
Unearned revenue - refer note (i) below	1,417	759
	1,417	**759**

(i) The Company has rendered the service and have recognised the revenue of ₹ 566 Lakhs (March 31, 2023: ₹ 972 Lakhs) during the year from the unearned revenue balance at the beginning of the year.

24 Trade payables

Carried at amortised cost

	March 31, 2024	March 31, 2023
Total outstanding dues of Micro enterprises and Small enterprises	165	83
Total outstanding dues of creditors other than Micro enterprises and Small enterprises	6,715	6,160
	6,880	**6,243**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade payables Ageing Schedule

As at March 31, 2024	Outstanding for the following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	165	-	-	-	165
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,009	5	-	2	1,016
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Provision for expenses	-	-	-	-	5,699
	1,174	**5**	**-**	**2**	**6,880**

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

Terms and conditions of above trade payables:

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

(ii) For explanation of company's liquidity risk - refer note 37 (D)

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

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

Particulars	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	165	83
Interest due on the above	-	3
(i) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(ii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	3
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	3

25 Other liabilities

	March 31, 2024	March 31, 2023
Current		
Statutory dues payable	2,648	2,118
Other payables	23	125
	2,671	**2,243**

26 Revenue from contract with customers

	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from service	1,47,196	1,33,064
Revenue from license (net)	287	324
Gross revenue from operations	**1,47,483**	**1,33,388**
Less : cash discounts	(195)	(133)
Net revenue from operations	**1,47,288**	**1,33,255**
Revenue from service	1,47,001	1,32,931
Revenue from license (net)	287	324
	1,47,288	**1,33,255**

26.1 Disaggregated revenue information

Segment	For the year ended March 31, 2024			
	Infrastructure Management & Security Services	Digital Business Services	Product Engineering Services	Total
Revenue from contract with customers	29,615	41,584	76,089	1,47,288
Total revenue from contracts with customers	**29,615**	**41,584**	**76,089**	**1,47,288**
India	8,188	6,211	12,225	26,624
Outside India	21,427	35,373	63,864	1,20,664
Total revenue from contracts with customers	**29,615**	**41,584**	**76,089**	**1,47,288**
Timing of revenue recognition				
Licenses transferred at a point in time	287	-	-	287
Fixed price project - services transferred over time	14,090	15,551	7,464	37,105
Time and material - services transferred over time	15,238	26,033	68,625	1,09,896
Total revenue from contracts with customers	**29,615**	**41,584**	**76,089**	**1,47,288**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

26.2 Contract balances

	March 31, 2024	March 31, 2023
Trade receivables	23,196	19,885
Unbilled revenue	10,837	10,080
Contract assets	1,411	1,429
Contract liability	1,417	759

26.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	March 31, 2024	March 31, 2023
Revenue as per contract price	1,48,246	1,33,723
Discount	(958)	(468)
Revenue from contract with customers	**1,47,288**	**1,33,255**

26.4 The Company has applied practical expedient as given in Ind AS 115 for not disclosing the remaining performance obligation for contracts that have original expected duration of one year or lesser. The Company has fixed price contracts for a period of more than one year, the remaining performance obligation for these contracts is ₹ 818 Lakhs (March 31, 2023: ₹ 4,953 Lakhs). The revenue for remaining performance obligation is expected to be recognised over period of 1-3 years (March 31, 2023: 1-3 years).

27 Other income

	For the year ended	
	March 31, 2024	March 31, 2023
Interest income on:		
Deposits with bank	7,883	2,557
Loan to subsidiary - refer note 39	119	126
Financial instrument measured at amortised cost	34	42
	8,036	**2,725**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
Gain on sale of investments measured at FVTPL	18	803
Exchange gain/ (loss)	475	(1,423)
Rent concession	-	71
Dividend received from subsidiary - refer note 39	2,500	-
Miscellaneous income	97	58
	3,090	**(491)**
	11,126	**2,234**

28 Employee benefits expense

	For the year ended	
	March 31, 2024	March 31, 2023
Salaries, wages and bonus	87,890	73,043
Contribution to provident and other funds	4,551	3,738
Employee stock compensation expense - refer note 42	47	120
Gratuity expense - refer note 35	778	552
Compensated absences	988	835
Staff welfare expenses	518	402
	94,772	**78,690**

29 Depreciation and amortisation expense

	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment - refer note 3	423	230
Amortisation of intangible assets - refer note 4	348	240
Depreciation of right-of-use assets - refer note 5	2,659	2,526
	3,430	**2,996**

30 Finance costs

	For the year ended	
	March 31, 2024	March 31, 2023
Interest expense on:		
Borrowings	2,460	1,547
Non convertible debenture	948	10
Loan from Subsidiary - refer note 39	37	4
Lease liabilities- refer note 20	614	544
Unwinding of interest in contingent consideration - refer note 36 (v)	168	45
	4,227	**2,150**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

31 Other expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Power and fuel	549	435
Subcontractor charges	10,044	11,645
Repairs and maintenance		
- Buildings	332	185
- Equipments	63	45
- Others	476	353
Rent expenses - refer note (ii) below	483	307
Advertising and business promotion expenses	509	385
Commission	(40)	34
Communication costs	252	227
Insurance	138	106
Legal and professional fees	988	525
Audit fees - refer note (i) below	100	88
Software license cost	4,629	3,838
Rates and taxes	62	43
Recruitment charges	782	908
Sitting fees to non-executive directors - refer note 39	70	43
Commission to non-executive directors - refer note 39	25	37
Corporate social responsibility ('CSR') expenditure - refer note 40	450	333
Impairment loss allowance on trade and unbilled receivables	433	-
Travelling and conveyance	2,704	2,352
Postage and courier	39	85
Training expense	412	379
Miscellaneous expenses	132	132
	23,632	**22,485**

(i) Payment to auditors:

	For the year ended	
	March 31, 2024	March 31, 2023
As auditor:		
Audit fee	95	85
In other capacity		
Certification fees (includes ₹ 200 Lakhs towards issue of shares in the current year debited to securities premium)	205	-
Reimbursement of expenses	2	3
	302	**88**

(ii) Rent expense recorded under other expenses are lease rental for short-term leases

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

32 Exceptional Items

	For the year ended	
	March 31, 2024	March 31, 2023
Gain on derecognition of contingent consideration	143	-
	143	**-**

On January 1, 2023, the Company obtained operational and management control of Sri Mookambika Infosolutions Private Limited ('SMI'), a Madurai based Company which provides IT services, through a Control Agreement. The Company acquired 100% equity in SMI for total consideration of ₹ 13,694 Lakhs, comprising cash consideration of ₹ 11,132 Lakhs and fair-value of contingent consideration of ₹ 2,562 Lakhs payable over the next 2 years subject to achievement of set targets.The Company paid the cash consideration of ₹ 11,132 Lakhs on February 6, 2023 and the shares were transferred on the same day.

The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The total consideration for acquisition of SMI includes a contingent consideration payable over a period of 2 years ending December 31, 2024. The Group has re-measured the fair value of the liability and the change in fair value of ₹ 143 Lakhs (March 31, 2023: Nil) is recognized as gain on derecognition of contingent consideration in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2024.

33 Income tax expense

	For the year ended	
	March 31, 2024	March 31, 2023
a) Statement of profit or loss		
Current tax	8,320	7,889
Deferred tax credit	(397)	(359)
Income tax expense	**7,923**	**7,530**
b) Statement of other comprehensive income		
On net movement on effective portion of cash flow hedges	(101)	159
On re-measurement losses on defined benefit plans	95	31
	(6)	**190**
Reconciliation of tax expense and tax based on accounting profit:		
Profit before income tax expense	32,496	29,168
Tax at the Indian tax rate of 25.17% (March 31, 2022: 25.17%)	8,179	7,342
Tax effect of:		
Expenses not deductible	119	95
Others	(375)	93
Income tax expense	**7,923**	**7,530**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

34 Earnings Per Share ['EPS']

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

	For the year ended	
	March 31, 2024	March 31, 2023
Profit after tax attributable to equity holders of the Company (a) (₹ in Lakhs)	24,573	21,638
Weighted average number of shares outstanding during the year for basic EPS (b)	14,84,59,435	14,31,81,324
Weighted average number of shares outstanding during the year for diluted EPS (c)	14,84,69,587	14,42,60,047
Basic earnings per share (in ₹) (a/b)	16.55	15.11
Diluted earnings per share (in ₹) (a/c)	16.55	15.00
Equity share reconciliation for EPS		
Equity share outstanding	14,84,59,435	14,31,81,324
Total considered for basic EPS	**14,84,59,435**	**14,31,81,324**
Add: ESOP options	10,152	10,78,723
Total considered for diluted EPS	**14,84,69,587**	**14,42,60,047**

35 Employee benefits plan

(i) Defined contribution plans - Provident Fund and others

The Company makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Company recognised ₹ 4,551 Lakhs (March 31, 2023 : ₹ 3,738 Lakhs) towards defined contribution plans.

(ii) Defined benefit plans (funded):

The Company provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Company is funded with qualifying Insurance Company.

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

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

	March 31, 2024	March 31, 2023
Current	-	-
Non-current	2,988	2,179
	2,988	**2,179**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2024:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2023	**2,887**	**708**	**2,179**
Current service cost	616	-	616
Net interest expense	214	52	162
Total amount recognised in statement of profit and loss	**830**	**52**	**778**
Benefits paid	(324)	(278)	(46)
Remeasurement			
Return on plan assets	-	(3)	3
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	16	-	16
Experience adjustments	358	-	358
Total amount recognised in other comprehensive income	**374**	**(3)**	**377**
Contributions by employer	-	300	(300)
As at March 31, 2024	**3,767**	**779**	**2,988**

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

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

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

	March 31, 2024	March 31, 2023
Insurance fund	779	708
Total	**779**	**708**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	March 31, 2024	March 31, 2023
Discount rate	4.60% - 7.29%	7.29%
Expected return on plan assets	7.29%	7.29%
Future salary increases	4% p.a. - 8% p.a	8.00%
Employee turnover	25.00%	25.00%
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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

	Sensitivity Level	March 31, 2024		March 31, 2023	
		Defined benefit obligation on increase/decrease in assumptions			
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase / decrease	(113)	122	(86)	93
Future salary increase	1% increase / decrease	116	(111)	90	(86)
Attrition rate	1% increase / decrease	(26)	26	(19)	19

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

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

Expected contributions to defined benefits plan for the year ended March 31, 2024 is ₹ 240 Lakhs (March 31, 2023 : ₹ 240 Lakhs). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2023: 4 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2024	March 31, 2023
Within the next 12 months	809	610
Between 2 and 5 years	2,233	1,736
Between 6 and 10 years	1,285	983
Beyond 10 years	564	443

36 Fair value measurement

i) The carrying value of financial assets by categories is as follows:

	March 31, 2024	March 31, 2023
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	111	166
Cross currency interest rate swap	319	363
Total financial assets measured at FVOCI	**430**	**529**
Measured at fair value through statement of profit and loss (FVTPL)		
Investment in mutual funds	-	-
Total financial assets measured at FVTPL	**-**	**-**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2024	March 31, 2023
Measured at amortised cost		
Investment in subsidiary	19,719	19,719
Security deposits	862	684
Loans to employees	16	64
Loans to related parties	1,668	2,465
Other financial assets	14,769	20,037
Trade receivables	23,196	19,885
Bank and bank balance other than cash and cash equivalents	1,21,673	61,441
Cash and cash equivalents	10,682	5,966
Total financial assets measured at amortised cost	**1,92,585**	**1,30,261**
Total financial assets	**1,93,015**	**1,30,790**

ii) The carrying value of financial liabilities by categories is as follows:

	March 31, 2024	March 31, 2023
Measured at fair value through statement of profit and loss (FVTPL)		
Contingent consideration	1,389	2,608
Total financial liabilities measured at FVTPL	**1,389**	**2,608**
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	68	267
Cross currency interest rate swap	401	704
Total financial liabilities measured at FVOCI	**469**	**971**
Measured at amortised cost		
Foreign currency term loan	11,278	13,856
Redeemable non-convertible debentures	12,500	4,500
Foreign currency loan (PCFC)	19,886	21,280
Loan from subsidiary	-	900
Bank Overdraft	573	7,119
Lease liabilities	6,982	6,620
Trade payables	6,880	6,243
Other financial liabilities	4,294	4,007
Total financial liabilities measured at amortised cost	**62,393**	**64,525**
Total financial liabilities	**64,251**	**68,104**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

iii) Fair value hierarchy

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

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2024			
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	111	-	111
Cross currency interest rate swap	-	319	-	319
Measured at fair value through statement of profit and loss (FVTPL)				
Investment in mutual funds	-	-	-	-
Total financial asset measured at fair value	**-**	**430**	**-**	**430**
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	68	-	68
Cross currency interest rate swap	-	401	-	401
Measured at fair value through statement of profit and loss (FVTPL)				
Contingent consideration	-	-	1,389	1,389
Total financial liabilities measured at Fair value	**-**	**469**	**1,389**	**1,858**

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes:

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

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

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

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

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

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

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

iv) Valuation Inputs and relationship to fair value

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2024		
Contingent consideration	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 45 Lakhs and ₹ 14 Lakhs respectively.
	Discount rate	7.34%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 1 Lakhs and ₹ 19 Lakhs respectively.

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

v) Reconciliation of Contingent consideration measured at FVTPL

	March 31, 2024	March 31, 2023
As at April 1	**2,608**	**-**
Acquisition of subsidiary	-	2,563
Amount recognised in profit and loss statement - refer note 30	168	45
Gain on derecognition of contingent consideration - refer note 32	(143)	-
Settlement during the year	(1,244)	-
As at March 31	**1,389**	**2,608**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

37 Financial risk management

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

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

A) Market risk

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

i. Foreign currency risk

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

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

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

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

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

Currency	Particulars	March 31, 2024		March 31, 2023	
		FC	₹	FC	₹
	Financial assets				
USD	Trade receivables	181	15,104	183	14,997
	Loans	22	1,862	32	2,627
	Other financial assets	100	7,638	106	8,683
	Bank accounts	79	6,622	39	3,198
	Net exposure on foreign currency risk (assets)	**374**	**31,226**	**360**	**29,505**
	Financial liability				
	Borrowings	226	18,807	282	23,163
	Trade payables	7	571	30	2,479
	Other financial liabilities	36	2,964	6	502
	Other liabilities	6	496	5	378
	Net exposure on foreign currency risk (liabilities)	**274**	**22,837**	**323**	**26,522**
	Net exposure on foreign currency risk (assets-liabilities)	**101**	**8,389**	**37**	**2,983**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Currency	Particulars	March 31, 2024		March 31, 2023	
		FC	₹	FC	₹
EURO	Financial assets				
	Trade receivables	8	696	10	859
	Other financial assets	5	481	7	588
	Bank accounts	2	198	5	468
	Other assets	*	10	*	3
	Net exposure on foreign currency risk (assets)	**15**	**1,384**	**22**	**1,918**
	Financial liability				
	Trade payables	*	*	*	*
	Borrowings	12	1,079	-	-
	Other liabilities	1	54	1	63
	Net exposure on foreign currency risk (liabilities)	**13**	**1,134**	**1**	**63**
	Net exposure on foreign currency risk (assets-liabilities)	**3**	**251**	**21**	**1,855**
GBP	Financial assets				
	Trade receivables	6	598	6	598
	Other financial assets	1	155	3	354
	Bank accounts	2	194	2	208
	Other assets	*	32	*	16
	Net exposure on foreign currency risk (assets)	**9**	**979**	**11**	**1,176**
	Financial liability				
	Trade payables	1	68	2	162
	Other financial liabilities	4	439	2	212
	Other liabilities	1	76	1	112
	Net exposure on foreign currency risk (liabilities)	**6**	**583**	**5**	**486**
	Net exposure on foreign currency risk (assets-liabilities)	**3**	**395**	**6**	**690**

The Group enters into derivative financial instruments such as foreign currency forward contracts and Cross currency interest rate swaps to mitigate the risk of changes in exchange rates. Details of the derivative contracts held by the Company are included in Note 37(B)

* Represents number below rounding off norms of the Company.

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

	Impact on profit before tax	
	March 31, 2024	March 31, 2023
USD sensitivity		
₹ / USD increases by 5%	419	149
₹ / USD decreases by 5%	(419)	(149)
EURO sensitivity		
₹ / EURO increases by 5%	13	93
₹ / EURO decreases by 5%	(13)	(93)
GBP sensitivity		
₹ / GBP increases by 5%	20	35
₹ / GBP decreases by 5%	(20)	(35)

* Sensitivity is calculated holding all other variables constant

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

ii. Interest rate risk

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

Sensitivity:

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

iii. Price risk

The Company is not exposed to Price risk as at March 31, 2024. During the year ended March 31, 2023, the company exposure to price risk arises for investment in mutual funds held by the company. To manage its price risk arising from investments in mutual funds, the Company diversified its portfolio.

Sensitivity:

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

	Impact on profit before tax	
	March 31, 2024	March 31, 2023
NAV increases by 5%	-	-
NAV decreases by 5%	-	-

B) Impact of Hedge activities

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

	March 31, 2024					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Line item in the balance sheet	Fair value* gain/(loss)
Cash flow hedge of Foreign currency risk (for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	₹ /USD	575	48,301	Other financial assets/(liabilities)	45
- Foreign currency forward contracts	< 1 year	₹ /EURO	22	2,005	Other financial assets/(liabilities)	(2)
- Cross currency interest rate swaps	<1 year	₹ /USD	10	838	Other financial assets/(liabilities)	
	1-5 year	₹ /USD	78	6,225	Other financial assets/(liabilities)	(82)
	> 5year	₹ /USD	53	4,254	Other financial assets/(liabilities)	

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2024					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Line item in the balance sheet	Fair value* gain/(loss)
Cash flow hedge of Foreign currency risk (for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	₹ /USD	520	43,094	Other financial assets/(liabilities)	(29)
- Foreign currency forward contracts	< 1 year	₹ /EURO	25	2,209	Other financial assets/(liabilities)	(72)
- Cross currency interest rate swaps	<1 year	₹ /USD	9	713	Other financial assets/(liabilities)	
	1-5 year	₹ /USD	52	4,167	Other financial assets/(liabilities)	(341)
	> 5year	₹ /USD	90	7,150	Other financial assets/(liabilities)	

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

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

	Foreign currency forward contracts	Cross currency interest rate swaps	Total
Balance as at April 01, 2022	**142**	**-**	**142**
Hedge gain/(loss) recognised in OCI	(101)	(341)	(442)
Amount reclassified from OCI to statement of profit and loss	(189)	-	(189)
Income tax effect	73	86	159
Balance as at March 31, 2023	**(75)**	**(255)**	**(330)**
Hedge gain/(loss) recognised in OCI	43	(82)	(39)
Amount reclassified from OCI to statement of profit and loss	101	341	442
Income tax effect	(36)	(65)	(101)
Balance as at March 31, 2024	**33**	**(61)**	**(28)**

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

C) Credit risk

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

Revenue from one customer comprises around 13% of the total revenue of the Company. The remaining revenue of the Company is spread across wide range of customers. For receivables turnover ratio, refer note 43.

(i) Trade receivables, unbilled revenue and contract assets.

Trade receivables, unbilled revenue and contract assets are typically unsecured and derived from revenue from contracts with customers. Customer credit risks are managed by each business units subject to Company's policies and procedures which involves continuously monitoring the credit worthiness of customers to which the Company grants credits in the normal course of business. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses at each reporting date, right from initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix takes into account, available external and internal credit risk factors and the Company's historical experience with customers. Ageing of trade receivables and the provision in books for trade receivables:

	Not due	1-180 days	181-365 days	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024							
Trade receivables	17,038	6,356	204	232	216	9	24,055
Unbilled receivables							12,501
Allowance for expected credit loss							(1,112)
Net Trade receivables	**17,038**	**6,356**	**204**	**232**	**216**	**9**	**35,444**
As at March 31, 2023							
Trade receivables	13,962	5,815	312	291	14	15	20,409
Unbilled receivables							11,773
Allowance for expected credit loss							(788)
Total	**13,962**	**5,815**	**312**	**291**	**14**	**15**	**31,394**

Reconciliation of loss allowance - trade receivables	March 31, 2024	March 31, 2023
Opening balance as at April, 1	(524)	(1,224)
Allowance made during the year (net) - refer note 31	(444)	58
Utilised during the year	110	656
Exchange gain/ (loss)	(1)	(14)
Closing balance as at March, 31	**(859)**	**(524)**

Reconciliation of loss allowance - unbilled revenue and other financial assets	March 31, 2024	March 31, 2023
Opening balance as at April, 1	(265)	(207)
Allowance made during the year - refer note 31	11	(58)
Closing balance as at March, 31	**(254)**	**(265)**

Other financial assets and cash deposit

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

D) Liquidity risk

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2024	March 31, 2023
RBL Bank Limited	77	105
Kotak Mahindra Bank Limited	3,498	241
Federal Bank Limited	40	35
ICICI Bank Limited	1,127	1,139
Axis Bank Limited	2,292	199
Citibank	2,080	-
State Bank of India	8,940	7,881
	18,054	**9,600**

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

Particulars	On demand	Less than 1 year	More than 1 year	Total
As at March 31, 2024				
Borrowings (including current maturities)	573	33,232	11,322	45,127
Lease liabilities	-	2,925	5,082	8,008
Trade payables	-	6,880	-	6,880
Contingent consideration	-	1,464	-	1,464
Foreign currency forward contracts	-	68	401	469
Other current financial liabilities #	-	6,141	3,241	9,382
	573	**50,711**	**20,046**	**71,330**
As at March 31, 2023				
Borrowings (including current maturities)	7,119	29,271	11,322	47,712
Lease liabilities	-	2,364	5,374	7,738
Trade payables	-	6,243	-	6,243
Contingent consideration	-	1,394	1,471	2,865
Foreign currency forward contracts	-	267	704	971
Other current financial liabilities #	-	5,588	4,294	9,882
	7,119	**45,127**	**23,165**	**75,411**

Includes future interest payable on outstanding borrowings

38 Capital management

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

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

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Borrowings (including current maturities)	44,237	47,655
Less : Cash and cash equivalents	(10,682)	(5,966)
Net (cash and cash equivalents)/debt (A)	**33,555**	**41,689**
Equity	1,47,370	82,598
Total equity capital (B)	**1,47,370**	**82,598**
Total debt and equity (C)=(A)+(B)	**1,80,925**	**1,24,287**
Gearing ratio (A)/(C)	**19%**	**34%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

39 Related party disclosure

(i) List of related parties and relationship

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

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

		March 31, 2024	March 31, 2023
(i)	**Sale of service**		
	Happiest Minds Inc.	5,116	4,890
	SKAN Research Trust	605	296
	Ashok Soota Medical Research LLP	53	42
	Happiest Health Systems Private Limited	2,788	811
(ii)	**Director's sitting fees:**		
	Mrs. Anita Ramachandran	27	16
	Mr. Rajendra Kumar Srivastava	16	9
	Mrs. Shuba Rao Mayya	27	18

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

		March 31, 2024	March 31, 2023
(iii)	**Commission to directors**		
	Mrs. Anita Ramachandran	3	9
	Mr. Rajendra Kumar Srivastava	19	21
	Mrs. Shuba Rao Mayya	3	7
(iv)	**Contribution made to post employee benefit plan:**		
	Happiest Minds Technologies Ltd. Employees group gratuity trust	300	355
(v)	**Loans taken**		
	Sri Mookambika Infosolutions Private Limited	-	900
(vi)	**Interest income on Loans given**		
	Happiest Minds Inc.	119	126
(vii)	**Legal and professional fees**		
	Happiest Health Systems Private Limited	72	28
viii)	**Advertising and business promotion expenses**		
	Happiest Health Systems Private Limited	16	-
(ix)	**Dividend received**		
	Sri Mookambika Infosolutions Private Limited	2,500	-
(x)	**Interest expense on Loans taken**		
	Sri Mookambika Infosolutions Private Limited	37	4
(xi)	**Managerial remuneration# :**		
	Mr. Venkatraman Narayanan		
	Salary, wages and bonus	155	134
	Employee stock compensation expense	-	3
	Mr. Ashok Soota		
	Salary, wages and bonus	155	128
	Mr. Praveen Darshankar		
	Salary, wages and bonus	60	55
	Employee stock compensation expense	*	*
	Mr. Joseph Vinod Anantharaju		
	Salary, wages and bonus	415	389
	Employee stock compensation expense	1	4
(xii)	**Reimbursement of expenses received:**		
	SKAN Research Trust	-	*
	Happiest Health Systems Private Limited	-	*
xiii)	**Dividend paid**		
	Mr. Joseph Vinod Anantharaju	25	17
	Mr. Ashok Soota	3,502	2,403
	Mr. Venkatraman Narayanan	30	20
	Ashok Soota Medical Research LLP	1,059	718
	Deepak Soota	3	2
	Suresh Soota	2	1
	Kunku Soota	1	1
	Usha Samuel	4	3
	Jayalakshmi Venkatraman	7	5
	Praveen Kumar Darshankar	3	2

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

* amount below rounding off norm of the Company

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

		March 31, 2024	March 31, 2023
(i)	**Trade receivables:**		
	Happiest Minds Inc.	1,588	1,554
	SKAN Research Trust	52	162
	Happiest Health Systems Private Limited	652	101
	Ashok Soota Medical Research LLP	5	5
(ii)	**Unbilled receivables:**		
	Happiest Minds Inc.	-	-
	SKAN Research Trust	64	*
	Ashok Soota Medical Research LLP	-	26
	Happiest Health Systems Private Limited	-	45
(iii)	**Advance to suppliers**		
	Sri Mookambika Infosolutions Private Limited	90	-
(iv)	**Loans given**		
	Happiest Minds Inc.	1,668	2,465
(v)	**Loans taken**		
	Sri Mookambika Infosolutions Private Limited	-	900
(vi)	**Accrued interest on Loans given**		
	Happiest Minds Inc.	193	162
(vii)	**Accrued interest on Loans taken**		
	Sri Mookambika Infosolutions Private Limited	4	4
(vii)	**Trade payables**		
	Happiest Health Systems Private Limited	2	3
(viii)	**Commission payables**		
	Mrs. Anita Ramachandran	3	9
	Mr. Rajendra Kumar Srivastava	19	21
	Mrs. Subha Rao Mayya	3	7

* amount below rounding off norm of the Company

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Loans of ₹ 738 (USD 1 mn) ₹ 1492 (USD 2 mn) given to Happiest Minds Inc. carries an interest rate of 4.93% p.a and 5.367% p.a. respectively and is repayable after 3 years. Loan from Sri Mookambika Infosolutions Private Limited of ₹ 900 carries an interest rate of 7.317% p.a. is repaid in FY 23-24. All other outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

40 Corporate Social Responsibility ('CSR') expenditure

Details of CSR expenditure are as follows:

			March 31, 2024	March 31, 2023
(a)	Gross amount required to be spent by the Company during the year		446	322
(b)	Amount approved by the board to be spent during the year		450	333
(c)	Amount spent during the year ending on March 31, 2024 :	**In cash**	**Yet to be paid in cash**	**Total**
	i) Construction/ Acquisition of any asset	-	-	-
	ii) On purpose other than above	450	-	450
(d)	Amount spent during the year ending on March 31, 2023 :	**In cash**	**Yet to be paid in cash**	**Total**
	i) Construction/ Acquisition of any asset	-	-	-
	ii) On purpose other than above	333	-	333
(e)	Details related to spent/ unspent obligations:			
	i) Contribution to Public Trust		-	-
	ii) Contribution to Charitable Trust		450	333
	iii) Unspent amount in relation to:			
	- Ongoing project		-	-
	- Other than ongoing project		-	-
			450	**333**

Details of ongoing project and other than ongoing project

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

In case of S. 135(5) (Other than ongoing Project)				
Opening balance	Amount deposited in specified fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	446	450	-

In case of S. 135(5) Excess amount spent			
Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
(32)	446	450	(36)

41 Commitments and Contingent Liabilities

i) Capital Commitments

	March 31, 2024	March 31, 2023
Capital commitments towards purchase of capital assets	413	904

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

ii) Other claims against the Company not provided for in the books

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

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

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

42 Share based payments

Employee Share Option Plan (ESOP)

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

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

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

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

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

Key Terms	ESOP 2011	ESOP 2014 / EIP 2011 for US Employees	ESOP 2015 / EIP 2011 for US Employees	ESOP 2020
Class of Share	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).	Pursuant to conversion of Class B Non-voting Equity Shares (entitled under ESOP 2014) to Equity shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017), the Board of Directors at its meeting held on October 25, 2017 approved the administration of options granted and shares allotted under erstwhile ESOP 2014 to ESOP 2011.	Equity Shares (as amended vide board meeting held on April 26, 2017 and Annual general meeting held on July 31, 2017).	Equity Shares (as amended vide board meeting held on April 29, 2020 and extra ordinary general meeting held on May 13, 2020).

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Key Terms	ESOP 2011	ESOP 2014 / EIP 2011 for US Employees	ESOP 2015 / EIP 2011 for US Employees	ESOP 2020
Ownership	Legal Ownership		Legal Ownership	Legal Ownership
Vesting Pattern	Four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1,2,3 and 4 years respectively from the date of grant and become fully exercisable, subject to employee being in the employment of the Company.			
Exercise Price	Exercisable at an exercise price of ₹ 2, ₹ 3, ₹ 5 and ₹ 6 per option.	Exercisable at an exercise price of ₹ 2 and ₹ 6 per option.	Exercisable at an exercise price of ₹ 2, ₹ 6.25, ₹ 9.50, ₹ 11.50 and ₹ 26 per option.	No grant has been made under this scheme
Economic Benefits / Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company as duly approved by the shareholders at the meeting held on July 31, 2017.			

	For the year ended	
	March 31, 2024	March 31, 2023
Employee stock compensation expense	47	120

Movements during the year

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

March 31, 2024

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,92,633	25.95
Granted during the year	-	-	-	-
Exercised during the year	-	-	(7,51,716)	25.93
Forfeited during the year	-	-	(54,049)	26.00
Outstanding options as at the end of the year	-	-	11,86,869	25.95
Weighted Average Remaining Contractual Life	-		2.89 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,475	26.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	(7,825)	26.00
Forfeited during the year	-	-	-	-
Outstanding options as at the end of the year	-	-	11,650	26.00
Weighted Average Remaining Contractual Life	-		1.85 years	

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

March 31, 2023

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

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	16,000	6.00	29,830	26.00
Granted during the year	-	-	-	-
Exercised during the year	(6,000)	6.00	(10,355)	26.00
Forfeited during the year	(10,000)	-	-	-
Outstanding options as at the end of the year	-	-	19,475	26.00
Weighted Average Remaining Contractual Life	-		2.74 years	

*Weighted Average Exercise Price

No options were granted during the year (March 31, 2023 - Nil)

The weighted average share price of shares exercised during the year is ₹ 875.62 (March 31, 2023 - ₹ 944.91)

Exercisable options as at March 31, 2024 - 12,02,967 options (March 31, 2023 - 12,17,785 options) and weighted average exercise price - ₹ 25.96 (March 31, 2023 - ₹ 25.91)

43 Additional Information

(a) Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason for variance
Current ratio	Current Assets	Current Liabilities	3.19	1.89	69%	Increase in investments in fixed deposit as at March 31 2024
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.35	0.66	(47)%	Impact on account of issue of shares through Qualified Institutions Placement ("QIP") during March 31, 2024
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments (excludes interest & repayments for Packing credit foreign currency loan)	5.03	4.50	12%	

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason for variance
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.21	0.29	(26)%	Impact on account of issue of shares through Qualified Institutions Placement ("QIP") during March 31, 2024
Trade Receivable Turnover Ratio	Net revenue	Average Trade Receivable	6.84	7.40	(8)%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.60	3.90	(8)%	
Net Capital Turnover Ratio	Net revenue	Working capital = Current assets – Current liabilities	1.22	2.74	(55)%	Higher working capital following the QIP during the year.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.17	0.16	3%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	0.19	0.23	(19)%	
Return on Investment	Interest (Finance Income) and gain from mutual funds	Investments (includes mutual funds, and fixed deposits)	0.08	0.05	54%	Increase of investments in fixed deposits as at 31st March, 2024

(b) The Company has not given any loans and advances in the nature of loan granted to promoters, directors and KMPs.

(c) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(d) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013.

(e) The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

(g) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(j) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

44 Events after reporting period

(i) On April 24, 2024, the Parent signed definitive agreements to acquire 100% of the equity share capital of PureSoftware Technologies Private Limited ("PureSoftware"), a Noida based company, for a total purchase consideration of US $ 94.5 Million (₹ 77,900 Lakhs) (Upfront of ₹ 63,474 Lakhs on closing and deferred consideration of upto ₹ 14,426 Lakhs payable at the end of FY25 on achievement of set performance targets) subject to closing conditions set out in the agreement. The Company is expecting to close this transaction by May 31, 2024.

(ii) On April 18, 2024, the Parent signed share purchase agreement to acquire 100% of the equity interest in Macmillan Learning India Private Limited, a Bengaluru based company, for a total purchase consideration of ₹ 444 Lakhs. The Company paid the purchase consideration on April 30, 2024 and the shares were subsequently transferred to Company's name.

(iii) The Board of Directors of the Company at its meeting held on March 13, 2024 had approved the Scheme of Amalgamation of Sri Mookambika Infosolutions Private Limited (Wholly Owned Subsidiary - Transferor Company) with the Company (Holding Company - Transferee Company) and their respective Shareholders and Creditors, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The Company has filed the application with National Company Law Tribunal, Bengaluru on March 27, 2024 and the NCLT has admitted the application on April 17, 2024.

45 The Company publishes Standalone Financial Statements along with the Consolidated Financial Statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the Consolidated Financial Statements. Accordingly, the segment information is given in the Consolidated Financial Statements of Happiest Minds Technologies Limited and its subsidiaries for the year ended March 31, 2024.

46 The Board of Directors of the Company at their meeting held on May 6, 2024, recommended the payout of a final dividend of ₹ 3.25/- per equity share of face value ₹ 2/- each for the financial year ended March 31, 2024 . This recommendation is subject to approval of shareholders at the 13th Annual General Meeting of the Company scheduled to be held on June 28, 2024.

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

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

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

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

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Independent Auditor's Report

To The Members of Happiest Minds Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Happiest Minds Technologies Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information in, which are incorporated the Financial Statements of Happiest Minds Technologies Share Ownership (the "ESOP trust") for the year ended on that date audited by the other auditor ("trust auditor").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the trust auditor and other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies(Indian Accounting Standards) Rules,2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the trust auditor and other auditor in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Fixed price contracts using the percentage of completion method** (refer note 2(a) and note 26 of the consolidated Ind AS financial statement) Revenue from fixed-price contracts where the performance obligations are satisfied over time, is recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Company to determine the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The estimation of total project costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. We identified the revenue recognition for fixed price contracts where the percentage-of-completion method is used as a key audit matter because of the significant judgement involved in estimating the efforts to complete such contracts. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts incurred to-date and estimates of efforts to complete the contract. This required a high degree of auditor judgement in evaluating the audit evidence supporting the estimated efforts to complete and a higher extent of audit effort to evaluate the reasonableness of the total estimated efforts used to recognise revenue on fixed-price contracts.	Principal audit procedures performed: Our audit procedures related to estimates of efforts to complete for fixed-price contracts accounted using the percentage-of completion method included the following, among others: • We tested the effectiveness of controls relating to (1) recording of efforts incurred and estimation of efforts to complete the remaining contract performance obligations, and (2) access and application controls pertaining to time recording and allocation systems, which prevents unauthorized changes to recording of efforts incurred. • We evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation, by comparing actual information to estimates, for performance obligations that have been fulfilled. • We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following: • Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time was appropriate, and the contract was included in management's calculation of revenue over time. • Evaluated other information that supported the estimates of the progress towards satisfying the performance obligation. • Evaluated the appropriateness of and consistency in the application of management's policies and methodologies to estimate progress towards satisfying the performance obligation. • Compared efforts incurred with data from the timesheet application system. • Tested the estimate for consistency with the status of delivery of milestones and customer acceptances to identify possible delays in achieving milestones, which require changes in estimated efforts to complete the remaining performance obligations. • We assessed the adequacy of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report 2023-24, but does not include the consolidated financial statements and our auditor's report thereon. The report is expected to be made available to us after the date of this auditor's report.

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

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information,identified above, when it becomes available and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the ESOP trust and the subsidiary, is traced from their financial statements audited by the trust auditor and other auditor.

- When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of the ESOP trust included in the standalone financial statements of the companies included in the Group whose financial statements reflect total assets of ₹ 24,651 Lakhs as at March 31, 2024 & total revenue of ₹ Nil and net cash flows amounting to ₹ 882 Lakhs for the year ended on that date, as considered in the standalone financial statements of the companies included in the Group. The financial statements of the ESOP trust have been audited by the trust auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the ESOP trust and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid ESOP trust, is based solely on the report of such Trust auditor.

(b) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 2,826 Lakhs as at March 31, 2024, total revenues of ₹ 9,073 Lakhs and net cash inflows amounting to ₹ 64 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the trust auditor and other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the trust auditor and other auditor on the separate financial statements of the ESOP trust and the subsidiary referred to in the Other Matters section Reported above, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the reports of the trust auditor and other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements and with the financial statements received from the trust auditor and other auditor.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of the ESOP trust and the subsidiary, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". This is based on the auditors' reports of the Parent and the subsidiary. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Parent to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 42 of the consolidated financial statements.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or the subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or the subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in note 47 to the consolidated financial statements, the Board of Directors of the Parent whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination, which included test checks, and based on the other auditor's reports of its subsidiary company incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent Company and its subsidiary company incorporated in India have used accounting software(s) for maintaining their respective books of account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s):

1. In respect of accounting software used for maintaining revenue records, audit trail was not enabled at the database level to log any direct data changes;

2. The Parent migrated to a new accounting software for maintaining payroll records on October 1, 2023. Based on our examination which included test checks, in respect of the earlier software used for maintaining the payroll records for the period April 1, 2023 to September 30, 2023 audit trail was not enabled at the database level to log any direct data changes; and

3. In respect of the an accounting software operated by a third party software service provider, for maintaining payroll records, with effect from October 1, 2023 based on the independent auditor's service organisation report covering the requirement of audit trail, parent has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level and the same has operated during the period October 1, 2023 till December 31, 2023. No instance of audit trail feature being tampered with has been reported in such independent auditor's report for the aforesaid period. In the absence of an independent auditor's report covering the audit trail requirement for the remaining period, we are unable to comment whether the audit trail feature of the said software was enabled and operated post December 31, 2023, for all relevant transactions recorded in the software or whether there was any instance of the audit trail feature been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 24060408BKFSLO9378)
Place: Bengaluru
Date: May 6, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Happiest Minds Technologies Limited (hereinafter referred to as "Parent") and its subsidiaries, which includes internal financial controls with reference to consolidated financial statements of the Company's subsidiary which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent audits subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to its subsidiary, which is a company incorporated in India, is based solely on the corresponding report of the other auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS AND SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Vikas Bagaria
Partner
(Membership No. 060408)
(UDIN: 24060408BKFSLO9378)
Place: Bengaluru
Date: May 6, 2024

Consolidated Balance Sheet

as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	13,778	13,278
Capital work-in-progress	3	9	185
Goodwill	4	14,032	13,913
Other intangible assets	4	7,786	10,182
Intangible assets under development	4	22	81
Right-of-use assets	5	5,698	5,786
Financial assets			
i. Investments	11	-	1,296
ii. Other financial assets	7	2,480	9,389
Income tax assets (net)	8A	1,529	1,310
Other assets	9	32	119
Deferred tax assets (net)	10 A	1,636	1,246
Total non-current assets		**47,002**	**56,785**
Current assets			
Financial assets			
i. Investments	11	-	-
ii. Trade receivables	12	25,444	21,319
iii. Cash and cash equivalents	13	11,470	6,999
iv. Bank balance other than cash and cash equivalents	14	1,22,183	62,184
v. Loans	6	37	64
vi. Other financial assets	7	13,850	12,237
Other assets	9	4,793	4,495
Total current assets		**1,77,777**	**1,07,298**
Total assets		**2,24,779**	**1,64,083**
Equity and liabilities			
Equity			
Equity share capital	15	2,987	2,866
Other equity	17	1,45,037	81,016
Equity attributable to equity holders of the parent		**1,48,024**	**83,882**
Non-controlling interest		-	-
Total equity		**1,48,024**	**83,882**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	10,445	11,278
ii. Lease liabilities	20	4,570	4,761
iii. Other financial liabilities	21	401	1,996
Provisions	22	3,338	2,466
Deferred tax liabilities (net)	10 B	1,303	2,060
Total non-current liabilities		**20,057**	**22,561**

Consolidated Balance Sheet (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Current liabilities			
Contract liabilities	23	1,825	1,157
Financial liabilities			
i. Borrowings	19	33,792	35,477
ii. Lease liabilities	20	2,412	1,859
iii. Trade payables	24		
(A) Total outstanding dues of micro enterprises and small enterprises		165	83
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		7,750	6,969
iv. Other financial liabilities	21	5,810	7,428
Income tax liabilities (net)	8B	12	517
Other current liabilities	25	2,796	2,375
Provisions	22	2,136	1,775
Total current liabilities		**56,698**	**57,640**
Total liabilities		**76,755**	**80,201**
Total equity and liabilities		**2,24,779**	**1,64,083**
Summary of material accounting policies	2		

The notes referred to above form an integral part of the Consolidated Financial Statements.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from contracts with customers	26	1,62,466	1,42,929
Other income	27	8,537	2,111
Total income		**1,71,003**	**1,45,040**
Expenses			
Employee benefits expense	28	1,01,469	80,681
Depreciation and amortisation	29	5,829	4,191
Finance costs	30	4,227	2,186
Other expenses	31	27,412	26,362
Total expenses		**1,38,937**	**1,13,420**
Profit before exceptional items and tax		**32,066**	**31,620**
Exceptional items	32	1,402	(634)
Profit before tax		**33,468**	**30,986**
Tax expense	33		
Current tax		9,518	8,508
Deferred tax charge/ (credit)		(889)	(621)
		8,629	**7,887**
Profit for the year		**24,839**	**23,099**
Other comprehensive income (OCI)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translating the financial statements of a foreign operation		124	517
Net movement on effective portion of cash flow hedges	37(B)	403	(632)
Income tax effect	33	(101)	159
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**426**	**44**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Net loss on equity instruments carried at fair value through OCI	36 (v)	(1,319)	(351)
Income tax effect	33	277	74
Re-measurement losses on defined benefit plans	35	(346)	(155)
Income tax effect	33	87	39
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(1,301)**	**(393)**

Consolidated Statement of Profit and Loss (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Other comprehensive income for the year, net of tax		**(875)**	**(349)**
Total comprehensive income for the year		**23,964**	**22,750**
Profit for the year		24,839	23,099
Attributable to:			
Equity holders of the parent		24,839	23,099
Non-controlling interests		-	-
Total comprehensive income for the year		23,964	22,750
Attributable to:			
Equity holders of the parent		23,964	22,750
Non-controlling interests		-	-
Earnings per equity share	34		
Equity shares of par value ₹ 2/- each			
Basic, computed on the basis of profit for the year attributable to equity holders of the parent (₹)		16.73	16.13
Diluted, computed on the basis of profit for the year attributable to equity holders of the parent (₹)		16.73	16.01
Summary of significant accounting policies	2		

The notes referred to above form an integral part of the Consolidated Financial Statements.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities			
Profit before tax		**33,468**	**30,986**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/ amortisation of property, plant and equipment, intangibles and right-of-use assets		5,829	4,191
Share-based payment expense		47	120
Gain on sale of investment carried at fair value through profit and loss		(18)	(803)
Fair value loss on contingent consideration		-	634
Gain on derecognition of contingent consideration		(1,402)	-
Interest income		(7,958)	(2,610)
Net unrealised foreign exchange (gain)/loss		(84)	1,219
Rent concession		-	(71)
Impairment loss on financial assets		530	-
Provision no longer required/ written-off		(78)	-
Finance costs		4,227	2,186
Operating cash flow before working capital changes		**34,561**	**35,852**
Movements in working capital:			
Increase in trade receivables		(4,533)	(3,468)
Decrease in loans		27	964
Increase in non-financial assets		(210)	(1,190)
Increase in financial assets		(1,240)	(1,961)
Increase/ (decrease) in trade payables		823	756
Increase/ (decrease) in financial liabilities		35	(1,362)
Increase in provisions		887	478
Increase/ (decrease) in contract liabilities		737	(225)
Increase in other non-financial liabilities		411	(245)
		31,498	**29,599**
Income tax paid, net of refunds		(10,242)	(8,882)
Net cash flows from operating activities	**(A)**	**21,256**	**20,717**
Investing activities			
Purchase of property, plant and equipment		(823)	(13,106)
Purchase of intangible assets		(207)	(835)
Proceeds from sale of property, plant and equipment		4	-
Maturities of / (Investment in) bank deposit, net		(52,847)	(56,995)
Acquisition of subsidiary		-	(10,987)
Investment in equity shares of Tech4TH Solutions Inc.		-	(827)
Investments of mutual funds		(2,550)	-
Proceeds from sale of mutual funds		2,568	47,203
Interest received		7,214	445
Net cash flows used in investing activities	**(B)**	**(46,641)**	**(35,102)**
Financing activities			
Repayment of long-term borrowings		(2,608)	(2,609)
Proceeds from long-term borrowings		-	12,383
Proceeds / (Repayment) of short-term borrowings (net)		(1,439)	4,617
Proceeds from issue of redeemable non-convertible debentures		8,000	4,500

Consolidated Statement of Cash Flows (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment of principal portion of lease liabilities		(2,161)	(2,004)
Payment of interest portion of lease liabilities		(614)	(544)
Payment of contingent consideration		(1,659)	(2,034)
Proceeds from issue of equity shares (Net of share issue expenses)		48,556	-
Dividend paid		(8,604)	(5,715)
Proceeds from exercise of share options		181	147
Interest paid		(3,305)	(1,534)
Net cash flows from/ (used) in financing activities	**(C)**	**36,347**	**7,207**
Net increase in cash and cash equivalents	**[(A)+(B)+(C)]**	10,962	(7,178)
Net foreign exchange difference		55	323
Cash and cash equivalents at the beginning of the year		6,999	6,729
Cash acquired on acquisition of subsidiary		-	6
Less : Bank overdraft at the beginning of the year		(7,119)	-
Cash and cash equivalents at the end of the year		**10,897**	**(120)**
Components of cash and cash equivalents	13		
Balance with banks			
- on current account		4,511	5,346
- in EEFC accounts		4,759	1,653
Deposits with original maturity of less than three months - refer note below		2,200	-
Less : Bank overdraft		(573)	(7,119)
Total cash and cash equivalents		**10,897**	**(120)**
Non-cash investing activities:			
Acquisition of subsidiary / Changes in value of contingent consideration		1,389	4,233
Acquisition of Right-of-use assets	5	2,571	4,317
Summary of significant accounting policies	2		

The notes referred to above form an integral part of the Consolidated Financial Statements.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

a) Equity share capital

For the year ended March 31, 2024	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2023	**14,31,88,555**	**2,866**
Issue of shares	54,11,255	106
Exercise of share options - refer note 15 (ii) (1)	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**

For the year ended March 31, 2023	No of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At April 1, 2022	**14,26,08,867**	**2,854**
Exercise of share options - refer note 15 (ii) (1)	5,79,688	12
As at March 31, 2023	**14,31,88,555**	**2,866**

b) Other equity

For the year ended March 31, 2024	Attributable to the equity holders of the parent						Total
	Reserves and Surplus			Other components of equity			
	Securities premium (Note 17)	Share options outstanding reserve (Note 17)	Retained earnings (Note 17)	Cash flow hedge reserve (Note 17)	Foreign currency translation reserve (Note 17)	Equity instrument through OCI (Note 17)	
As at April 1, 2023	**41,556**	**266**	**39,064**	**(330)**	**737**	**(277)**	**81,016**
Profit for the year	-	-	24,839	-	-	-	24,839
Other comprehensive income	-	-	(259)	302	124	(1,042)	(875)
Total comprehensive income	**-**	**-**	**24,580**	**302**	**124**	**(1,042)**	**23,964**
On issue of shares - refer note 15 (3)	49,894	-	-	-	-	-	49,892
Exercise of share option by employees	164	-	-	-	-	-	166
Transaction costs, net of recovery or reimbursement of expense on issue of shares	(1,444)	-	-	-	-	-	(1,444)
Transferred to retained earnings for options forfeited	4	(6)	2	-	-	-	-
Transferred to securities premium for options exercised	144	(144)	-	-	-	-	-
Dividend - refer note 18	-	-	(8,604)	-	-	-	(8,604)
Share-based payments expense - refer note 44	-	47	-	-	-	-	47
As at March 31, 2024	**90,318**	**163**	**55,042**	**(28)**	**861**	**(1,319)**	**1,45,037**

Consolidated Statement of Changes in Equity (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Other equity

For the year ended March 31, 2023	Attributable to the equity holders of the parent						Total
	Reserves and Surplus			Other components of equity			
	Securities premium (Note 17)	Share options outstanding reserve (Note 17)	Retained earnings (Note 17)	Cash flow hedge reserve (Note 17)	Foreign currency translation reserve (Note 17)	Equity instrument through OCI (Note 17)	
As at April 1, 2022	**41,205**	**385**	**21,773**	**143**	**220**	**-**	**63,726**
Profit for the year	-	-	23,099	-	-	-	23,099
Other comprehensive income	-	-	(116)	(473)	517	(277)	(349)
Total comprehensive income	**-**	**-**	**22,983**	**(473)**	**517**	**(277)**	**22,750**
Exercise of share option by employees	135	-	-	-	-	-	135
Transferred to retained earnings for options forfeited	-	(23)	23	-	-	-	-
Transferred to securities premium for options exercised	216	(216)	-	-	-	-	-
Dividend - refer note 18	-	-	(5,715)	-	-	-	(5,715)
Share-based payments expense - refer note 44	-	120	-	-	-	-	120
As at March 31, 2023	**41,556**	**266**	**39,064**	**(330)**	**737**	**(277)**	**81,016**

Summary of material accounting policies (refer note 2)

The notes referred to above form an integral part of the Consolidated Financial Statements.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Notes to the Consolidated Financial Statements
for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Corporate Information

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

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

The Group's Consolidated Financial Statements (CFS) for the year ended March 31, 2024 were approved by Board of Directors on May 06, 2024.

1 Basis of preparation of Consolidated Financial Statements

(a) Basis of preparation

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

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

These Consolidated Financial Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group’s annual reporting date, March 31, 2024.

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

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

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

c) Derivative financial instruments and

d) Contingent consideration

(b) Functional currency and presentation currency

These Consolidated Financial Statements are presented in Indian Rupee (₹), which is also functional currency of the Parent. All the values are rounded off to the nearest Lakhs (₹ 00,000) unless otherwise indicated.

(c) Use of estimates and judgements

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

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

Judgements:

Information about judgements made in applying accounting policies that have a material effects on the amounts recognised in the Consolidated Financial Statements is included in the following notes:

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

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a material risk of resulting in a material adjustment in the year ended March 31, 2024 is included in the following notes:

- Note 2(e) - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2(o) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(h) - Impairment of financial assets
- Note 2(q) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 2(i) - Fair value measurement
- Note 2(b) - Determination of whether the company exercises control or significant influence on its investee and date such control or significant influence was acquired

(d) Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

(e) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent and its subsidiary as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries on line by line basis. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit and loss. Any investment retained is recognised at fair value.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The subsidiaries which are included in the consolidation and the Company's holdings therein are as under:

Name of Company	Nature of Business	Country of incorporation	Ownership interest as at March 31, 2024	Ownership interest as at March 31, 2023
Sri Mookambika Infosolutions Private Limited	IT services	India	100%	100%
Happiest Minds Inc. (formerly known as PGS Inc.)	IT services	United States of America	100%	100%

2 Material accounting policies

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

(a) Revenue recognition

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

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

Revenue from rendering of services

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

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

Trade receivables

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Variable consideration

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

Revenue from license

Revenue for supply of third party products, services or licenses are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Where the Group is a reseller for sale of right to use licenses and acting as agent in the arrangement, the revenue for sale of right to use license is recognised on a net basis. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fee is considered as single performance obligation and revenue is recognized as per input method.

Where the Group acts as principal, revenue from sale of licenses, where the customer obtains a "right to use" the licenses is recognized at the point in time when the related license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period and is included in Revenue from Services.

Contract balances

Contract assets: The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current assets. Trade receivables and unbilled revenue is presented net of impairment.

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

Interest income

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

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

Dividend income

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

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

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit and loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in statement of profit and loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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

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

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

criteria are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

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

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

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

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

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

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

Class of asset	Useful life as per Schedule II	Useful life as per Group
Furniture and fixtures	10 years	5 years
Office equipment (including solar panels)	5 years - 15 years	4 years-15 years
Buildings	60 years	50 years
Vehicles	8-10 years	4 years
Computer systems	6 years for server 3 years for other than server	2.5-3 years

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

The useful lives have been determined based on technical evaluation done by the management's expert which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Intangible assets

Goodwill

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Other intangible assets

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

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

Amortisation methods and periods

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

Asset	Life in Years
Computer software	2.5-3 years
Non compete fees	3 years
Customer relations	3-7 years
Trade mark	2-3 years
Exclusive license	2 years

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

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

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

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

(e) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's Cash Generating Unit's (CGU's) to which the individual assets are allocated. These budgets and forecast

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

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

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

(f) Borrowing cost

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

(g) Leases

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

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

Group as lessee

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

Right-of-use assets

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Lease and non-lease component

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

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

Extension and termination option

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

(h) Financial Instruments

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

Non-derivative financial instruments :

a) Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss,

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS - 115.

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

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

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 12.

Debt instrument at FVTOCI

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Balance Sheet) when:

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

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

Reclassification of financial assets

The Group determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Impairment of financial assets

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

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

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

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

- Trade receivables, unbilled revenue and contract assets

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

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

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

b) Financial Liabilities :

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at Fair Value Through Profit or Loss (FVTPL), loans and borrowings, or as payables, as appropriate.

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

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

Subsequent measurement

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

Financial liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at Fair Value Through Profit or Loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

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

c) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains or losses are recognised in the statement of profit and loss, when the liabilities are derecognised, as well as, through the EIR amortisation process.

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

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

Derecognition

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

d) Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement :

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

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

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

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

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

Cash flow hedges

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

(i) Fair value measurement

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(j) Cash and cash equivalents

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

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

(k) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in the statement of profit and loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., Consolidated Financial Statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in Other Comprehensive Income (OCI). These exchange differences are reclassified from equity to the statement of profit and loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to the Statement of Profit and Loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1 2018), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the Parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

(l) Employee Benefits

Short-term obligations

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

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

Other long-term employee benefit obligations

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

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

Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Gratuity obligations

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss subsequently.

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

Defined contribution plan

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

(m) Employee share based payments

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

Equity-settled transactions:

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

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

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

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

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

(n) Exceptional items

Exceptional items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Group and, therefore, are not expected to recur frequently or regularly. In accordance with the requirements of Guidance Note on Schedule III to the Companies Act 2023, exceptional items are disclosed on the face of the Statement of Profit and Loss and details of the individual items are disclosed in the Notes.

(o) Taxation

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Current income tax

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

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

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

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

Deferred tax

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

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

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

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

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

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

(p) Treasury shares

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

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

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

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

(q) Provisions and Contingent Liabilities

Provisions

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

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

Provision for warranty

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

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Group has identified three reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Refer note 42 for segment information.

(s) Earnings/(Loss) per share

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

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

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

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

(t) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

(u) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on March 31, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after April 1, 2023 :

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Group has disclosed material accounting policies. There is no impact on the consolidated financial statements.

- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases. The Group previously recognised for deferred tax on leases on a net basis. Pursuant to the aforementioned amendment, the Group has grossed-up the deferred tax assets and deferred tax liabilities recognised in relation to leases w.e.f. 1st April, 2022. However, there is no impact on the net deferred tax liabilities in the Consolidated Balance Sheet

(v) Critical estimates and judgements

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Significant judgments and estimates

(a) Defined benefit plans

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

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

(b) Revenue recognition

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

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

(c) Business combination and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Judgement is required to determine the date on which the group acquired control. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. These valuations are conducted by external valuation experts. Estimates are required to be made in determining the value of contingent consideration and intangible assets. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management. Judgement is required to determine the acquisition date i.e. the date on which the group acquired control.

(d) Impairment of Goodwill

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

(e) Investment of equity instrument at fair value through Other comprehensive income

The Group applies judgement to assess whether it has significant influence or control over the investee entities. Where the group determines that it does not exercise significant influence or control, the fair value of equity instrument is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Refer note 36(iv) and 36(v).

(f) Deferred taxes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all the deductible temporary differences however the same is restricted to the extent of the deferred tax liabilities unless it is probable that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Also refer note 10 (A) and 10 (B).

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

3 Property, plant and equipment

	Land	Building	Computer Systems	Office equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Total	Capital work-in-progress
Cost or valuation									
As at April 01, 2022	**-**	**-**	**265**	**144**	**25**	**-**	**71**	**505**	**-**
Acquisition of subsidiary	-	-	126	10	5	33	-	174	-
Additions	4,423	8,354	166	122	50	-	159	13,274	185
Transfers from CWIP	-	-	-	-	-	-	-	-	-
Disposals			(48)	-	(1)	-	-	(49)	-
As at March 31, 2023	**4,423**	**8,354**	**509**	**276**	**79**	**33**	**230**	**13,904**	**185**
Additions	-	-	188	103	3	-	-	294	529
Transfers from CWIP	-	132	169	183	133	-	88	705	(705)
Disposals	-	-	(16)	-	-	(4)	-	(20)	-
As at March 31, 2024	**4,423**	**8,486**	**850**	**562**	**215**	**29**	**318**	**14,883**	**9**
Accumulated depreciation									
As at April 01, 2022	**-**	**-**	**228**	**116**	**24**	**-**	**59**	**427**	**-**
Charge for the year	-	119	77	22	6	1	23	248	-
Disposals	-	-	(48)	-	(1)	-	-	(49)	-
As at March 31, 2023	**-**	**119**	**257**	**138**	**29**	**1**	**82**	**626**	**-**
Charge for the year	-	168	198	57	25	8	39	495	-
Disposals	-	-	(16)	-	-	(*)	-	(16)	-
As at March 31, 2024	**-**	**287**	**439**	**195**	**54**	**9**	**121**	**1,105**	**-**
Net book value									
As at March 31, 2023	**4,423**	**8,235**	**252**	**138**	**50**	**32**	**148**	**13,278**	**185**
As at March 31, 2024	**4,423**	**8,199**	**411**	**367**	**161**	**20**	**197**	**13,778**	**9**

(*) Represents number below rounding off norms of the Company.

Note:

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

(ii) All property, plant and equipment are owned by the Group unless, otherwise stated.

(iii) There are no proceeding initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Capital work-in-progress (CWIP) Ageing

As at March 31, 2024

	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9	-	-	-	9
Projects temporarily suspended	-	-	-	-	-
Total	**9**	**-**	**-**	**-**	**9**

As at March 31, 2023

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

4 Goodwill and other intangible assets

i) Goodwill

	March 31, 2024	March 31, 2023
Cost or valuation		
Deemed cost		
As at April 01	**15,801**	**9,784**
Acquisition of subsidiary	-	5,404
Exchange difference	119	613
As at March 31	**15,920**	**15,801**
Accumulated Impairment		
As at April 01	**1,888**	**1,888**
As at March 31	**1,888**	**1,888**
Net book value as at March 31	**14,032**	**13,913**

ii) Other intangible assets

	Other intangible assets						Intangibles assets under development
	Trademark	Customer relationships	Non-compete	Computer software	Exclusive license	Total	
Cost or valuation							
Deemed cost							
As at April 01, 2022	**91**	**2,915**	**64**	**874**	**97**	**4,041**	**35**
Additions	-	-	-	789	-	789	46
Acquisition of subsidiary - refer note 44	-	7,930	329	-	-	8,259	
Exchange difference	8	228	4	20	8	268	-
As at March 31, 2023	**99**	**11,073**	**397**	**1,683**	**105**	**13,357**	**81**
Additions	-	-	-	230	-	230	11
Transfer from intangible assets under development				36		36	(70)
Exchange difference	1	44	1	4	2	52	-
As at March 31, 2024	**100**	**11,117**	**398**	**1,953**	**107**	**13,675**	**22**
Accumulated amortisation/ Impairment							
As at April 01, 2022	**57**	**1,052**	**32**	**443**	**61**	**1,645**	**-**
Charge for the year	36	916	46	380	39	1,417	-
Exchange difference	6	88	2	12	5	113	-
As at March 31, 2023	**99**	**2,056**	**80**	**835**	**105**	**3,175**	**-**
Charge for the year	-	1,958	124	593	-	2,675	-
Exchange difference	1	31	1	4	2	39	-
As at March 31, 2024	**100**	**4,045**	**205**	**1,432**	**107**	**5,889**	**-**
Net book value							
As at March 31, 2023	**-**	**9,017**	**317**	**848**	**-**	**10,182**	**81**
As at March 31, 2024	**-**	**7,072**	**193**	**521**	**-**	**7,786**	**22**

The customer relationships intangible will be fully amortized in 7 years (March 31, 2023: 7 Years)

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Intangibles assets under development Ageing (IAUD)

As at March 31, 2024	Amount in IAUD for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17	5	-	-	22
Projects temporarily suspended	-	-	-	-	-
Total	**17**	**5**	**-**	**-**	**22**

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

Impairment of goodwill

The Goodwill of ₹ 1,888 Lakhs relates to business acquisition of OSS Cube Solutions Limited, ₹ 611 Lakhs relates to the business acquisition of Cupola Technology Private Limited, ₹ 8,017 Lakhs related to the business combination of Happiest Minds Inc. (formerly known as PGS Inc.) and ₹ 5,404 Lakhs related to business combination of Sri Mookambika Infosolutions Private Limited (SMI) which has been allocated to OSS Cube, Internet of things (IoT), DBS-PGS and PES cash generating units (CGUs) respectively. Goodwill related to OSS cube is fully impaired.

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

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

	PES	IoT		DBS-PGS	
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	20.00%	19.30%	22.89%	19.32%	21.91%
Long term growth rate	1.00%	4.00%	4.00%	1.00%	2.00%
Sales growth	14.17%	15.00%	10.00%	15.00%	20.00%
Carrying value of goodwill	5,404	611	611	8,017	7,898

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

5 Right-of-use assets

	Computer systems	Office equipment	Office buildings	Motor vehicles	Total
As at April 01, 2022	**1,578**	**-**	**3,806**	**6**	**5,390**
Additions	1,142	125	2,867	183	4,317
Disposals	-	-	(1,395)	-	(1,395)
Depreciation	(1,186)	(9)	(1,304)	(27)	(2,526)
As at March 31, 2023	**1,534**	**116**	**3,974**	**162**	**5,786**
Additions	1,069	-	1,440	62	2,571
Disposals	-	-	-	-	-
Depreciation	(1,320)	(20)	(1,253)	(66)	(2,659)
As at March 31, 2024	**1,283**	**96**	**4,161**	**158**	**5,698**

The average lease period of the leased assets is 4 years (March 31, 2023: 3.9 years).

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

	March 31, 2024	March 31, 2023
Rent concession income	-	71
	-	**71**
Interest expense on lease liabilities - refer note 30	614	544
Depreciation of Right-of-use assets -refer note 29	2,659	2,526
Rent expense pertaining to short- term leases -refer note 31	549	349
	3,822	**3,419**

6 Loans

Carried at amortised cost

	March 31, 2024	March 31, 2023
Current		
Loans considered good - Unsecured		
Loans to employees	37	64
	37	**64**

7 Other financial assets

	March 31, 2024	March 31, 2023
(a) Other financial assets carried at amortised cost		
(unsecured, considered good, unless otherwise stated)		
Non-current		
Fixed deposit with maturity of more than 12 months	11	7,131
Margin money deposits - refer note (i) below	1,688	1,720
Security deposit	781	538
	2,480	**9,389**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2024	March 31, 2023
(i) Margin money deposit is used to secure:		
Term loan - Federal bank	914	952
Guarantees given	774	768
Current		
Interest accrued on fixed deposit	1,618	911
Unbilled revenue#	11,847	10,773
Security deposit	145	209
Other receivables	53	56
	13,663	**11,949**
Security deposit - credit impaired	1	1
Less: Allowance for credit impaired loans	(1)	(1)
Less: loss allowance on unbilled revenue	(243)	(241)
Total	**13,420**	**11,708**

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time. Includes ₹ 64 Lakhs (March 31, 2023 : ₹ 71) from related party. Refer note 39

	March 31, 2024	March 31, 2023
(b) Derivative instruments carried at fair value through OCI		
Designated as Cash flow hedges		
Foreign currency forward contracts - refer note 37 (B)	111	166
Cross currency interest rate swap - refer note 37 (B)	319	363
	430	**529**
Total other current financial assets	**13,850**	**12,237**

8A Income tax assets (net)

	March 31, 2024	March 31, 2023
Non - current		
Income tax assets (net)	1,529	1,310
	1,529	**1,310**

8B Income tax liabilities (net)

	March 31, 2024	March 31, 2023
Current		
Income tax liabilities (net)	12	517
	12	**517**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

9 Other assets

Unsecured, considered good, unless otherwise stated

	March 31, 2024	March 31, 2023
Non - current		
Prepaid expenses	32	119
	32	**119**
Current		
Prepaid expenses	2,218	1,707
Balances with statutory / government authorities	433	353
Advance to employees against expenses	182	218
Advance to suppliers	367	150
Other advances	-	407
Contract assets	1,623	1,698
	4,823	**4,533**
Less: loss allowance on contract assets	(30)	(38)
	4,793	**4,495**

10 A Deferred tax assets (net)

	March 31, 2024	March 31, 2023
Deferred tax assets (net)	1,636	1,246
	1,636	**1,246**

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2024 :

	April 01, 2023	Recognised in profit or loss [charge/(credit)]	Recognised in Other comprehensive income	March 31, 2024
Mutual funds	-	-	-	-
Goodwill	(154)	-	-	(154)
Property, plant and equipment and intangible assets	(22)	(210)	-	(232)
Derivative assets	111	-	(101)	10
Loss allowance on trade receivables	132	85	-	217
Right-of-use assets	(1,456)	23	-	(1,434)
Lease liability	1,668	95	-	1,763
Provision for gratuity and leave encashment	735	102	95	932
Employee related liabilities	-	308	-	308
Others	232	(6)	-	227
Deferred tax assets (net)	**1,246**	**397**	**(6)**	**1,636**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	April 01, 2022	Recognised in profit or loss [charge/(credit)]	Recognised in Other comprehensive income	March 31, 2023
Mutual funds	(361)	361	-	-
Goodwill	(154)	-	-	(154)
Property, plant and equipment and intangible assets	61	(83)	-	(22)
Derivative assets	(48)	-	159	111
Loss allowance on trade receivables	307	(175)	-	132
Right-of-use assets	(1,356)	(100)	-	(1,456)
Lease liabilty	1,488	180	-	1,668
Provision for gratuity and leave encashment	531	173	31	735
Others	229	3	-	232
Deferred tax assets (net)	**697**	**359**	**190**	**1,246**

10 B Deferred tax liabilities (net)

	March 31, 2024	March 31, 2023
Deferred tax liabilities (net)	1,303	2,060
	1,303	**2,060**

Significant components and movement in deferred tax assets and liabilities during the year ended March 31, 2024 :

	April 01, 2023	Recognised in profit or loss [charge/(credit)]	Recognised in Other comprehensive income #	Foreign currency translation reserve	March 31, 2024
Property, plant and equipment and intangible assets	2,346	(448)	-	4	1,902
Interest payable	-	(38)	-	-	(38)
Loss allowance on trade receivables	(57)	(3)	-	-	(60)
Equity instrument at FVOCI	(74)	-	(277)	-	(351)
Provision for gratuity and leave encashment	(77)	(22)	8	-	(91)
Others	(78)	19	-	-	(59)
Deferred tax liabilities (net)	**2,060**	**(492)**	**(269)**	**4**	**1,303**

#excludes impact of Foreign currency translation reserve

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

	April 01, 2022	Acquisition of subsidiary - refer note 45	Recognised in profit or loss [charge/(credit)]	Recognised in Other comprehensive income #	Foreign currency translation reserve	March 31, 2023
Property, plant and equipment and intangible assets	531	2,069	(293)	-	39	2,346
Loss allowance on trade receivables	(63)	-	12	-	(6)	(57)
Equity instrument at FVOCI	-	-	-	(74)	-	(74)
Provision for gratuity and leave encashment	-	(70)	1	(8)	-	(77)
Others	-	(96)	18	-	-	(78)
Deferred tax liabilities (net)	**468**	**1,903**	**(262)**	**(82)**	**33**	**2,060**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

11 Investments

Non-current

Carried at fair value through other comprehensive income [FVTOCI] (fully paid)

	March 31, 2024	March 31, 2023
Unquoted		
** (March 31, 2023 : 334) Series A Common Shares of $ 0.01 par value of TECH4TH Solutions Inc. - refer note 36	-	1,296
	-	**1,296**

The Group invested US$ 2,005,000 (₹ 1,672 Lakhs) in Tech4TH Solutions Inc (Tech4TH) and held 23.5% for the year ended 31st March, 2023. The Group determined that it does not exercise significant influence on Tech4TH as the Group does not have any representation on the board of directors of Tech4TH, does not participate in any policy making decisions, nor does it have any material transactions with Tech4TH. These equity shares have been designated as FVOCI as they are not held for trading. During the year ended March 31, 2024, the Group conducted an impairment test on this investment. Due to a notable decline in Tech4TH's performance, the Group deemed it necessary to fully impair 100% investment.

12 Trade receivables

Carried at amortised cost

	March 31, 2024	March 31, 2023
Current		
Trade receivables - others	24,735	21,051
Trade receivables - related party - refer note 39	709	268
Total trade receivables	**25,444**	**21,319**
Break-up for security details		
Unsecured, considered good	26,601	22,100
	26,601	**22,100**
Impairment allowance		
Unsecured, considered good	(1,157)	(781)
Trade receivables net of impairment	**25,444**	**21,319**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade receivables Ageing Schedule:

As at March 31, 2024	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6months-1 years	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	18,423	7,372	103	-	-	-	25,898
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	45	143	286	220	9	703
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**18,423**	**7,417**	**246**	**286**	**220**	**9**	**26,601**
Less: Impairment allowance							(1,157)
Total							**25,444**

As at March 31, 2023	Outstanding for the following periods from the due date of payment						Total
	Current but not due	Less than 6 months	6months-1 years	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	14,955	6,420	389	307	14	15	22,100
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**14,955**	**6,420**	**389**	**307**	**14**	**15**	**22,100**
Less: Impairment allowance							(781)
Total							**21,319**

(i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 39

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

(iii) For terms and conditions relating to related party receivables refer note 39.

(iv) For unbilled revenue refer note 7

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

13 Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balances with banks:		
- in current accounts	4,511	5,346
- in EEFC accounts	4,759	1,653
Deposits with original maturity of less than three months - refer note below	2,200	-
	11,470	**6,999**

Note:

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

14 Bank and bank balance other than cash and cash equivalents

	March 31, 2024	March 31, 2023
Fixed deposit	1,11,258	46,175
Margin money deposits - refer note (i) below	10,900	15,997
Balances with bank in unpaid dividend account	25	12
	1,22,183	**62,184**
(i) Margin money deposit is used to secure:		
Working capital facility and bank overdrafts	10,900	15,200
Term loan - Federal bank	-	790
Guarantees given	-	7

15 Share Capital

Equity share capital

i) Authorised share capital

	Numbers	Amount
Equity share capital of ₹ 2 each		
As at April 01, 2022	**22,93,00,000**	**4,586**
Increase during the year	-	-
As at March 31, 2023	**22,93,00,000**	**4,586**
Increase during the year	-	-
As at March 31, 2024	**22,93,00,000**	**4,586**

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

	Numbers	Amount
Equity share capital of ₹ 2 each, fully paid up		
As at April 01, 2022	**14,26,08,867**	**2,854**
Exercise of share options - refer note (1) below	5,79,688	12
As at March 31, 2023	**14,31,88,555**	**2,866**
Issue of shares	54,11,255	106
Exercise of share options - refer note (1) below	7,54,616	15
As at March 31, 2024	**14,93,54,426**	**2,987**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

(1) During the year ended March 31, 2024, Employee Stock Option Trust (ESOP trust) issued 7,54,616 (March 31, 2023 - 5,79,688) equity shares to the employees upon exercise of employee stock options.

(2) The outstanding equity shares as at April 01, 2022, March 31, 2023 and March 31, 2024 are presented net of treasury shares.

(3) The Company raised capital of ₹ 50,000 Lakhs through Qualified Institutions Placement ("QIP") of equity shares. The Fund-Raising Committee of the Board of Directors of the Company, at its meeting held on July 14, 2023, approved the allotment of 54,11,255 equity shares of face value ₹ 2 each to eligible investors at a price ₹ 924 per equity share (including a premium of ₹ 922 per equity share).

(iii) Terms/ rights attached to equity shares

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

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

(iv) Details of shareholders holding more than 5% shares in the Company: -

	March 31, 2024		March 31, 2024	
	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of ₹ 2 each fully paid				
Mr. Ashok Soota (Promoter)	5,83,82,277	39.09%	6,00,75,393	41.96%
Ashok Soota Medical Research LLP	1,79,48,784	12.02%	1,79,48,784	12.54%

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

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

(vi) Details of shares held by promoters

As at March 31, 2024	Promoter name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	6,00,75,393	(16,93,116)	5,83,82,277	39.09%	-2.82%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.02%	0.00%

As at March 31, 2023	Promoter name	No of shares at the beginning of the year	Change during the year	No of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 2 each fully paid	Mr. Ashok Soota	6,00,68,668	6,725	6,00,75,393	41.96%	0.01%
Equity shares of ₹ 2 each fully paid	Ashok Soota Medical Research LLP	1,79,48,784	-	1,79,48,784	12.54%	0.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

16 Instrument entirely in the nature of equity

i) Authorised share capital

	Numbers	Amount
Series A 14% Non Cumulative Compulsorily Convertible Preference shares of ₹ 652 each		
As at April 1, 2022	**2,00,000**	**1,304**
Decrease during the year - refer note below	-	-
As at March 31, 2023	**2,00,000**	**1,304**
Change during the year	-	-
As at March 31, 2024	**2,00,000**	**1,304**

(ii) Terms/ rights attached to convertible preference shares

Each holder of CCPS is entitled to receive a preferential non-cumulative dividend at 14% per annum on the par value of each share if declared by the Board of directors. Holders of CCPS shall receive preferential dividend in preference to dividend payable on equity shares and shall not participate in any further dividends declared on Equity Shares. Preference shareholders are also entitled to vote in the shareholders meeting.

Holders of CCPS are entitled to participate in the surplus proceeds (which is subject to a limit of two times the amount invested) from the liquidation event, if any, on a pro-rata basis along with all other holders of equity shares on a fully diluted basis.

The holders of the preference share at their option can require the Company to convert all or a part of Series A preference shares held by them into equity shares at any time during the conversion period in according to the conversion ratio defined in the agreement (i.e. 1:163).

All the preference shares shall be converted into equity shares in the ratio of 1:163 on occurrence of the following event:

1. On expiry of the conversion period.
2. Later of (a) Date of filing Red herring prospectus with SEBI (b) Such other date as may be permitted by law in connection with Qualified IPO.
3. Upon the holders of a majority of the investors shares exercising the conversion right with respect to preference shares held by them

(iii) Treasury shares

	No of shares
As at April 01, 2022	**42,54,689**
Issue for cash on exercise of share options	(5,79,688)
As at March 31, 2023	**36,75,001**
Issue for cash on exercise of share options	(7,54,616)
As at March 31, 2024	**29,20,385**

(i) For terms/ rights attached to treasury shares refer note 15 (iii) above

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

17 Other equity

	March 31, 2024	March 31, 2023
Securities premium account	90,318	41,556
Retained earnings	55,042	39,064
Cash flow hedge reserve	(28)	(330)
Foreign currency translation reserve	861	737
Share options outstanding reserve	163	266
Equity instrument through Other comprehensive income (OCI)	(1,319)	(277)
	1,45,037	**81,016**
a) Securities premium account		
Opening balance	41,556	41,205
Transaction costs, net of recovery or reimbursement of expense on issue of shares	(1,444)	-
On issue of shares - refer note 15 (ii) (3)	49,894	
Exercise of share option by employees	164	135
Transferred from ESOP reserve for options exercised	144	216
Transferred from Retained earnings for options exercised	4	-
Closing balance	**90,318**	**41,556**
b) Retained earnings		
Opening balance	39,064	21,773
Profit for the year	24,839	23,099
Other comprehensive income recognised directly in retained earnings	(259)	(116)
Dividend - refer note 18	(8,604)	(5,715)
Transferred from share option outstanding reserve for options forfeited	6	23
Transferred to securities premium on options exercised	(4)	-
Closing balance	**55,042**	**39,064**
c) Cash flow hedge reserve		
Opening balance	(330)	143
Net movement on effective portion of cash flow hedges - refer note 37 (B)	302	(473)
Closing balance	**(28)**	**(330)**
d) Foreign currency translation reserve		
Opening balance	737	220
Additions during the period	124	517
Closing balance	**861**	**737**
e) Share options outstanding reserve		
Opening balance	266	385
Employee compensation expense for the year - refer note 44	47	120
Transferred to retained earnings for options forfeited	(6)	(23)
Transferred to securities premium for options exercised	(144)	(216)
Closing balance	**163**	**266**
f) Equity instrument through Other comprehensive income (OCI)		
Opening balance	(277)	-
Additions during the period, net of taxes - refer note 36 (v)	(1,042)	(277)
Closing balance	**(1,319)**	**(277)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Note

(i) Nature and purpose of other reserves

a) Securities premium account :

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

b) Retained earnings :

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

c) Cash flow hedge reserve :

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

d) Foreign currency translation reserve :

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when the net investment is disposed-off.

e) Share options outstanding reserve :

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

f) Equity instrument through Other comprehensive income (OCI)

The Group has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity shares are derecognised.

18 Distribution made

	March 31, 2024	March 31, 2023
Dividends on equity shares declared and paid :		
Final dividend paid for the year ended on March 31, 2023 : 3.4/- per share (March 31, 2022 : ₹ 2/- per share)	4,879	2,856
Interim dividend for the year ended on March 31, 2024 : ₹ 2.5/- per share (March 31, 2023 : 2/- per share)	3,725	2,859
	8,604	**5,715**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

19 Borrowings

Carried at amortised cost

	March 31, 2024	March 31, 2023
Non current		
Secured		
Term loan from bank		
Foreign currency term loan - refer note (a) below	-	1,870
Rupee term loan - refer note (b) below	11,278	11,986
	11,278	**13,856**
Less: Current maturities of foreign currency term loan	-	(1,870)
Less: Current maturities of rupee term loan	(833)	(708)
Total non-current borrowings	**10,445**	**11,278**
Current		
Secured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (d)	19,886	18,980
Bank overdraft - refer note (f) below	573	7,119
Unsecured		
Loans from banks		
Foreign currency loan (PCFC) - refer note (e)	-	2,300
Redeemable non-convertible debentures - refer note (c) below	12,500	4,500
Current maturities of term loans		
Foreign currency term loan from bank - refer note (a) below	-	1,870
Rupee term loan from bank - refer note (b) below	833	708
Total current borrowings	**33,792**	**35,477**

Notes

(a) Foreign currency term loan of ₹ 6,025 Lakhs (USD 8.25 million) from Federal bank carries a fixed interest rate of 3.2% per annum (March 31, 2023 : 3.2% per annum). The loan is repayable in 36 equal monthly instalments commencing from February 28, 2021 and has matured on Jan 29, 2024. The loan was secured by the way of exclusive charge on movable fixed assets of the Company (excluding leased asset charged to Hewlett Packard) and also by lien on fixed deposit equivalent to two months instalments plus interest (refer note 14). The loan was raised exclusively for funding the acquisition of Happiest Minds Inc. (formerly known as PGS Inc.). The loan has been repaid in full during current financial year

(b) Rupee term loan of ₹ 12,430 Lakhs from Federal bank carries an effective interest rate of 7.9% per annum (March 31, 2023 : 7.9%). The loan is repayable in 120 monthly installment commencing from August 15, 2022 and will mature on July 15, 2032. The proceeds from the loan was utilized for the acquisition of building -SJR Equinox, including the land comprised therein, situated at Electronic City, Bengaluru. The loan is secured by way of exclusive charge on such land and building together with all the fixtures in the building along with lien on fixed deposits equivalent to three months equated monthly instalments (refer note 7).

The Company has entered into an Cross currency interest rate swap with respect to aforementioned loan over the tenure, which has resulted in an effective interest rate of 4.21% per annum.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) 4,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 4,500 Lakhs were issued during FY 22-23 on a private placement basis carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of allotment. The NCDs were allotted on March 27, 2023 and will mature on March 27, 2026. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the issuer has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling on the expiry of one year or two years from the deemed date of allotment. Consequently, the NCDs are classified as current borrowings.

During the year, the company has issued 4,500 and 3,500 rated, listed, negotiable, unsecured, redeemable non-convertible debentures (NCDs) aggregating to ₹ 8,000 Lakhs on a private placement basis, carrying a coupon rate of 3m T-bill + 2.35% p.a payable quarterly. Each NCD has face value of ₹ 1 lakh and is redeemable at face value at the end of 3rd year from the date of respective allotment. NCDs were allotted on 8th May, 2023 and 26th September, 2023 respectively and will mature on 8th May, 2026 and 26th September 2026 respectively. The proceeds from NCDs has been utilised for general corporate purpose. The investor and the issuer has put and call option respectively, for the redemption of debenture at face value on the coupon payment date falling on the expiry of one year or two years from the deemed date of allotment. Consequently, the NCDs are classified as current borrowings.

(d) PCFC loan taken from Kotak Mahindra carries an interest rate ranging 5.85% to 6.14% p.a. (March 31, 2023 - 4.91% to 5.51% p.a) and is repayable within 90-120 days.

PCFC loan taken from RBL bank carries an interest rate ranging 6.15% to 6.24% p.a. (March 31, 2023 - 5.68% to 5.88% p.a.) and is repayable within 90-120 days.

PCFC loan taken from Federal bank carries an interest rate of 6.16% p.a. (March 31, 2023 - 5.55% to 5.66% p.a.) and is repayable within 90-120 days.

PCFC loan taken from ICICI bank carries an interest rate of 4.76% to 6.16% p.a. (March 31, 2023 - 5.89% to 5.96% p.a.) and is repayable within 90-120 days.

PCFC loan taken from Axis bank carries an interest rate of 6.16% p.a. (March 31, 2023 - 5.89% to 5.96% p.a.) and is repayable within 90-180 days.

PCFC loan taken from Citibank carries an interest rate of 6.15% to 6.18% p.a. (March 31, 2023 - nil) and is repayable within 90-120 days.

All PCFCs are fully secured by way of pari-passu charge on current assets of the Company.

(e) PCFC loan taken in previous year from Axis bank was unsecured and carried an interest rate of 5.98% p.a and was repayable within 90 days.

(f) Overdraft facility from SBI bank amount to ₹ 9,500 Lakhs (March 31, 2023 - ₹ 15,000 Lakhs) carries an interest rate of 8.50% p.a. (March 31, 2023 - 7.95% p.a) and is repayable on demand. Amount utilised as at March 31, 2024 is 573 Lakhs (March 31, 2023 - ₹ 7,119 Lakhs). Overdraft facility is fully secured by the way of lien on fixed deposit of ₹ 10,700 Lakhs (Refer note 14)

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	Non-current borrowings#	Current borrowings##
As at April 01, 2022	**3,793**	**15,271**
Acquisition of subsidiary	-	104
Financing cash flows (net)	9,774	9,117
Non cash movements:		
Amortisation of transaction cost	18	-
Foreign exchange difference	271	1,288
As at March 31, 2023	**13,856**	**25,780**
Financing cash flows (net)	(2,608)	6,561
Non cash movements:		
Amortisation of transaction cost	17	-
Foreign exchange difference	13	45
As at March 31, 2024	**11,278**	**32,386**

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

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

20 Lease liabilities

Carried at amortised cost

	March 31, 2024	March 31, 2023
Non current		
Lease liabilities	6,982	6,620
	6,982	**6,620**
Less: Current maturities of lease liabilities	(2,412)	(1,859)
Total non-current Lease liabilities	**4,570**	**4,761**
Current		
Lease liabilities	2,412	1,859
Total current lease liabilities	**2,412**	**1,859**

(i) Movement in lease liabilities for year ended March 31, 2024 and March 31, 2023

	March 31, 2024	March 31, 2023
Balance at beginning of the year	6,620	5,911
Additions	2,523	4,209
Finance cost incurred during the period - refer note 30	614	544
Disposal	-	(1,431)
Payment of lease liabilities	(2,775)	(2,548)
Rent concession - refer note 27	-	(71)
Exchange difference	-	6
Balance at the end of the year	**6,982**	**6,620**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023

	March 31, 2024	March 31, 2023
Less than one year	2,925	2,364
One to five years	5,074	5,374
More than five years	-	-

(iii) The Group had total cash outflow of ₹ 2,775 Lakhs during the year ended March 31, 2024 (March 31, 2023 - ₹ 2,548 Lakhs) for leases recognized in balance sheet. The Group has made a non-cash addition to lease liabilities of ₹ 2,523 Lakhs during the year ended March 31, 2024 (March 31, 2023 - ₹ 4,209 Lakhs).

21 Other financial liabilities

	March 31, 2024	March 31, 2023
Non-Current		
Carried at fair value through profit or loss		
Contingent consideration - refer note 36 (iv) and 36 (v)	-	1,292
	-	**1,292**
Carried at fair value through other comprehensive income		
Cash flow hedges		
Cross currency interest rate swap - refer note 37 (B)	401	704
	401	**704**
Total non - current financial liabilities	**401**	**1,996**
Current		
Carried at amortised cost		
Employee related liabilities	3,932	3,815
Unpaid dividend	26	13
Capital creditors	303	386
Accrued interest payable	92	6
	4,353	**4,220**
Carried at fair value through profit or loss		
Contingent consideration - refer note 36 (iv) and 36 (v)	1,389	2,941
	1,389	**2,941**
Carried at fair value through Other Comprehensive Income		
Cash flow hedges		
Foreign currency forward contracts - refer note 37 (B)	68	267
	68	**267**
Total other current financial liabilities	**5,810**	**7,428**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

22 Provisions

	March 31, 2024	March 31, 2023
Non-current		
Provision for gratuity - refer note 35	3,338	2,466
	3,338	**2,466**
Current		
Provision for compensated absences	2,126	1,746
Provision for warranty	10	29
	2,136	**1,775**

Movement during the year - Provision for warranty	**Amount**
Balance as at April 01, 2022	**26**
Arising during the year	-
Utilised/ reversed during the year	-
Exchange (gain)/ loss	3
Balance as at March 31, 2023	**29**
Arising during the year	1
Utilised/ reversed during the year	(20)
Exchange (gain)/ loss	-
Balance as at March 31, 2024	**10**

23 Contract liabilities

	March 31, 2024	March 31, 2023
Current		
Unearned revenue - refer note (i) below	1,825	1,157
	1,825	**1,157**

(i) The Group has rendered the service and have recognised the revenue of ₹ 964 Lakhs (March 31, 2023: ₹ 1,346 Lakhs) during the year from the unearned revenue balance at the beginning of the year.

24 Trade payables

Carried at amortised cost

	March 31, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprises - refer note (iii) below	165	83
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,750	6,969
	7,915	**7,052**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts in ₹ Lakhs, unless otherwise stated)

Trade payables Ageing Schedule

As at March 31, 2024	Outstanding for the following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	165	-	-	-	165
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,052	8	-	2	1,062
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Provision for expenses	-	-	-	-	6,688
	1,217	**8**	**-**	**2**	**7,915**

As at March 31, 2023	Outstanding for the following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	83	-	-	-	83
Total outstanding dues of creditors other than micro enterprises and small enterprises	900	-	12	-	912
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Provision for expenses	-	-	-	-	6,057
	983	**-**	**12**	**-**	**7,052**

Terms and conditions of above trade payables:

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

(ii) For explanation of Group's liquidity risk - refer note 37 (D)

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

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

Particulars	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	165	83
Interest due on the above	-	3
(i) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(ii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	3
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	3

25 Other liabilities

	March 31, 2024	March 31, 2023
Current		
Statutory dues payable	2,762	2,229
Other payables	34	146
	2,796	**2,375**

26 Revenue from contracts with customers

	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from service	1,62,383	1,42,753
Revenue from license (net)	287	324
Gross revenue from operations	**1,62,670**	**1,43,077**
Less : cash discounts	(204)	(148)
Net revenue from operations	**1,62,466**	**1,42,929**
Revenue from service	1,62,179	1,42,605
Revenue from license (net)	287	324
	1,62,466	**1,42,929**

26.1 Disaggregated revenue information

Segment	For the year ended March 31, 2024			
	Infrastructure Management & Security Services	Digital Business Services	Product Engineering Services	Total
Revenue from contract with customers	29,746	47,591	85,129	1,62,466
Total revenue from contracts with customers	**29,746**	**47,591**	**85,129**	**1,62,466**
India	8,188	6,212	12,268	26,668
Outside India	21,558	41,379	72,861	1,35,798
Total revenue from contracts with customers	**29,746**	**47,591**	**85,129**	**1,62,466**
Timing of revenue recognition				
Licenses transferred at a point in time	287	-	-	287
Fixed price project - services transferred over time	13,839	16,420	7,464	37,723
Time and material - services transferred over time	15,620	31,171	77,665	1,24,456
Total revenue from contracts with customers	**29,746**	**47,591**	**85,129**	**1,62,466**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Segment	For the year ended March 31, 2023			
	Infrastructure Management & Security Services	Digital Business Services	Product Engineering Services	Total
Revenue from contract with customers	30,694	43,070	69,165	1,42,929
Total revenue from contracts with customers	**30,694**	**43,070**	**69,165**	**1,42,929**
India	10,941	4,936	7,171	23,048
Outside India	19,753	38,134	61,994	1,19,881
Total revenue from contracts with customers	**30,694**	**43,070**	**69,165**	**1,42,929**
Timing of revenue recognition				
Licenses transferred at a point in time	316	1	7	324
Fixed price project - services transferred over time	13,813	17,677	3,940	35,430
Time and material - services transferred over time	16,565	25,392	65,218	1,07,175
Total revenue from contracts with customers	**30,694**	**43,070**	**69,165**	**1,42,929**

26.2 Contract balances

	March 31, 2024	March 31, 2023
Trade receivables	25,444	21,319
Unbilled revenue	11,604	10,532
Contract assets	1,593	1,660
Contract liability	1,825	1,157

26.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended	
	March 31, 2024	March 31, 2023
Revenue as per contract price	1,63,433	1,43,413
Discount	(967)	(484)
Revenue from contract with customers	**1,62,466**	**1,42,929**

26.4 The Group has applied practical expedient as given in Ind AS 115 for not disclosing the remaining performance obligation for contracts that have original expected duration of one year or lesser. The Group have fixed price contracts for a period of more than one year, the remaining performance obligation for these contracts is ₹ 818 Lakhs (March 31, 2023: ₹ 8,488 Lakhs). The revenue for remaining performance obligation is expected to be recognised over period of 1-3 years (March 31, 2023: 1-3 years).

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

27 Other income

	For the year ended	
	March 31, 2024	March 31, 2023
Interest income on:		
Deposits with bank	7,921	2,568
Financial instrument measured at amortised cost	37	42
	7,958	**2,610**
Gain on sale of investments measured at FVTPL	18	803
Exchange gain	459	(1,433)
Rent concession - refer note (i) below	-	71
Miscellaneous income	102	60
	579	**(499)**
	8,537	**2,111**

Note:

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

28 Employee benefits expense

	For the year ended	
	March 31, 2024	March 31, 2023
Salaries, wages and bonus	94,291	74,999
Contribution to provident fund	4,675	3,768
Employee stock compensation expense - refer note 44	47	120
Gratuity expense - refer note 35	876	559
Compensated absences	1,025	831
Staff welfare expenses	555	404
	1,01,469	**80,681**

29 Depreciation and amortisation expense

	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment - refer note 3	495	248
Amortisation of intangible assets - refer note 4	2,675	1,417
Depreciation of right-of-use assets - refer note 5	2,659	2,526
	5,829	**4,191**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

30 Finance costs

	For the year ended	
	March 31, 2024	March 31, 2023
Interest expense on:		
Borrowings	2,460	1,548
Non convertible debenture	948	10
Lease liabilities - refer note 20	614	544
Unwinding of interest in contingent consideration - refer note 36 (v)	205	84
	4,227	**2,186**

31 Other expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Power and fuel	567	441
Subcontractor charges	12,851	14,916
Repairs and maintenance		
- Buildings	335	186
- Equipments	68	45
- Others	483	364
Rent expenses - refer note (ii) below	549	349
Advertising and business promotion expenses	873	655
Commission	45	46
Communication costs	266	234
Insurance	138	118
Legal and professional fees	1,040	550
Audit fees - refer note (i) below	104	88
Loss on property, plant and equipment sold / scrapped, net	1	1
Software license cost	4,775	3,946
Rates and taxes	91	55
Recruitment charges	787	982
Impairment loss allowance on trade and unbilled receivables	530	-
Sitting fees to non-executive directors - refer note 39	70	43
Commission to non-executive directors - refer note 39	25	37
Corporate social responsibility ('CSR') expenditure - refer note 40	470	336
Travelling and conveyance	2,753	2,366
Postage and courier	40	86
Training expense	413	379
Miscellaneous expenses	138	139
	27,412	**26,362**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Payment to auditors:

	For the year ended	
	March 31, 2024	March 31, 2023
As auditor:		
Audit fee	98	85
In other capacity		
Certification fees (includes ₹ 200 Lakhs towards issue of shares in the current year debited to securities premium)	205	-
Reimbursement of expenses	2	3
	305	**88**

(ii) Rent expense recorded under other expenses are lease rental for short-term leases

32 Exceptional Items

	For the year ended	
	March 31, 2024	March 31, 2023
Gain/(Loss) on derecognition of contingent consideration	1,402	(634)
	1,402	**(634)**

Note:

(i) On January 1, 2023, the Group obtained operational and management control of Sri Mookambika Infosolutions Private Limited ('SMI'), a Madurai based Company which provides IT services, through a Control Agreement. The Group acquired 100% equity in SMI for total consideration of ₹ 13,694 Lakhs, comprising cash consideration of ₹ 11,132 Lakhs and fair-value of contingent consideration of ₹ 2,562 Lakhs payable over the next 2 years subject to achievement of set targets.

The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The total consideration for acquisition of SMI includes a contingent consideration payable over a period of 2 years ending December 31, 2024. The Group has re-measured the fair value of the liability and the change in fair value of ₹ 143 Lakhs (March 31, 2023: Nil) is recognized as gain in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2024.

(ii) The Group had acquired 100% Equity interest in Happiest Minds Inc. (erstwhile PGS Inc.) vide definitive agreements signed on January 27, 2021, for a total recorded consideration of US $ 13.31 million (₹ 9,720 Lakhs), comprising cash consideration of US $ 8.25 million (₹ 6,025 Lakhs) and fair-valued contingent consideration in the form of warrants of US $ 5.06 million (₹ 3,696 Lakhs) payable over the next 3 years.

The contingent consideration was classified as a financial liability as per Ind AS 109 'Financial Instruments' and was measured at fair value. The Accounting Standard mandates that any subsequent changes in such fair value will have to be recognized in the statement of profit and loss. The Group has re-measured the fair value of the liability and the change in fair value has been recognised in the statement of profit and loss and disclosed as an 'Exceptional Item' for the quarter and year ended March 31, 2024. The Group has re-measured the fair value of the liability and the changes in the fair value of ₹ 1,259 Lakhs (March 31, 2023: ₹ (634) Lakhs) is recognized as gain/(loss) on derecognition of contingent consideration in the statement of profit and loss and disclosed as an 'Exceptional Item' for the year ended March 31, 2024.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

33 Income tax expense

	For the year ended	
	March 31, 2024	March 31, 2023
a) Statement of profit and loss		
Current tax	9,518	8,508
Deferred tax credit	(889)	(621)
Income tax expense	**8,629**	**7,887**
b) Statement of other comprehensive income		
On net movement on effective portion of cash flow hedges	(101)	159
On re-measurement losses on defined benefit plans	87	39
On net loss on equity instruments carried at fair value through OCI	277	74
	263	**272**
Reconciliation of tax expense and tax based on accounting profit:		
Profit before income tax expense	33,468	30,986
Tax at the Indian tax rate of 25.17% (March 31, 2023 : 25.17%)	8,424	7,799
Tax effect of:		
Adjustment of tax relating to earlier periods	89	-
Expenses not deductible	124	95
Difference in tax rates	(94)	(101)
Others	85	94
Income tax expense	**8,629**	**7,887**

34 Earnings per share ['EPS']

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

	For the year ended	
	March 31, 2024	March 31, 2023
Profit after tax attributable to equity holders of the Parent (a) (₹ in Lakhs)	24,839	23,099
Weighted average number of shares outstanding during the year for basic EPS (b)	14,84,59,435	14,31,81,324
Weighted average number of shares outstanding during the year for diluted EPS (c)	14,84,69,587	14,42,60,047
Basic Earning per share (in ₹) (a/b)	16.73	16.13
Diluted Earnings per share (in ₹) (a/c)	16.73	16.01
Equity shares reconciliation for EPS		
Equity shares outstanding	14,84,59,435	14,31,81,324
Total considered for Basic EPS	**14,84,59,435**	**14,31,81,324**
Add: ESOP options	10,152	10,78,723
Total considered for diluted shares	**14,84,69,587**	**14,42,60,047**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

35 Employee benefits plan

(i) Defined contribution plans - Provident Fund

The Group makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Group recognised ₹ 4,675 Lakhs (March 31, 2023 : ₹ 3,768 Lakhs) towards defined contribution plans.

(ii) Defined benefit plans (funded):

The Group provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The Gratuity plan of the Group is funded with qualifying life insurance Company.

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

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

	March 31, 2024	March 31, 2023
Current	-	-
Non-current	3,338	2,466
	3,338	2,466

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

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2024:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2023	**3,299**	**833**	**2,466**
Current service cost	692	-	692
Net interest expense	245	61	184
Total amount recognised in statement of profit and loss	**937**	**61**	**876**
Benefits paid	(357)	(307)	(50)
Remeasurement			
Return on plan assets	-	(4)	4
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	22	-	22
Experience adjustments	320	-	320
Total amount recognised in other comprehensive income	**342**	**(4)**	**346**
Contributions by employer	-	300	(300)
As at March 31, 2024	**4,221**	**883**	**3,338**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 1, 2022	**2,430**	**572**	**1,858**
Acquisition of subsidiary	380	124	256
Current service cost	453	-	453
Net interest expense	140	34	106
Total amount recognised in statement of profit and loss	**593**	**34**	**559**
Benefits paid	(253)	(247)	(6)
Remeasurement			
Return on plan assets	-	(5)	5
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(155)	-	(155)
Experience adjustments	304	-	304
Total amount recognised in other comprehensive income	**149**	**(5)**	**154**
Contributions by employer	-	355	(355)
As at March 31, 2023	**3,299**	**833**	**2,466**

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

	March 31, 2024	March 31, 2023
Insurance fund	883	833
Total	**883**	**833**

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

	March 31, 2024	March 31, 2023
Discount rate	4.60% - 7.29%	7.29% - 7.41%
Expected return on plan assets	7.21% - 7.29%	7.29% - 7.41%
Future salary increases	4% p.a. - 8% p.a	5% p.a. - 8% p.a
Employee turnover	10% - 25%	10% - 25%
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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

	Sensitivity Level	March 31, 2024		March 31, 2023	
		Defined benefit obligation on increase/decrease in assumptions			
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase / decrease	(141)	153	(92)	100
Future salary increase	1% increase / decrease	146	(138)	96	(92)
Attrition rate	1% increase / decrease	(23)	22	(18)	18

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet

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

Expected contributions to defined benefits plan for the year ended March 31, 2024 is ₹ 454 Lakhs (March 31, 2023 : ₹ 462 Lakhs). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 to 8 years (March 31, 2023: 4 to 8 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2024	March 31, 2023
Within the next 12 months	853	651
Between 2 and 5 years	2,425	1,918
Between 6 and 10 years	1,478	1,166
Beyond 10 years	948	775

36 Fair value measurement

i) The carrying value of financial assets by categories is as follows:

	March 31, 2024	March 31, 2023
Measured at Fair Value Through Other Comprehensive Income (FVOCI)		
Foreign currency forward contracts	111	166
Cross currency interest rate swap	319	363
Investment in TECH4TH Solutions Inc.	-	1,296
Total financial assets measured at FVOCI	**430**	**1,825**
Measured at Fair Value Through Statement of Profit and Loss (FVTPL)		
Investment in mutual funds	-	-
Total financial assets measured at FVTPL	**-**	**-**
Measured at amortised cost		
Security deposits	926	747
Loans to employees	37	64
Other financial assets	14,974	20,350
Trade receivables	25,444	21,319
Bank and bank balance other than cash and cash equivalents	1,22,183	62,184
Cash and cash equivalents	11,470	6,999
Total financial assets measured at amortised cost	**1,75,034**	**1,11,663**
Total financial assets	**1,75,464**	**1,13,488**

ii) The carrying value of financial liabilities by categories is as follows:

	March 31, 2024	March 31, 2023
Measured at fair value through other profit or loss (FVTPL)		
Contingent consideration	1,389	4,233
Total financial liabilities measured at FVTPL	**1,389**	**4,233**
Measured at fair value through other comprehensive income (FVOCI)		
Foreign currency forward contracts	68	267
Cross currency interest rate swap	401	704
Total financial liabilities measured at FVOCI	**469**	**971**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	March 31, 2024	March 31, 2023
Measured at amortised cost		
Foreign currency term loan	11,278	13,856
Redeemable non-convertible debentures	12,500	4,500
Foreign currency loan (PCFC)	19,886	21,280
Bank Overdraft	573	7,119
Lease liabilities	6,982	6,620
Trade payables	7,915	7,052
Other financial liabilities	4,353	4,220
Total financial liabilities measured at amortised cost	**63,487**	**64,647**
Total financial liabilities	**65,345**	**69,851**

iii) Fair value hierarchy

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

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
		March 31, 2024		
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	111	-	111
Cross currency interest rate swap	-	319	-	319
Investment in mutual funds	-	-	-	-
Investment in TECH4TH Solutions Inc.	-	-	-	-
Total financial asset measured at fair value	**-**	**430**	**-**	**430**
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	68	-	68
Cross currency interest rate swap	-	401	-	401
Measured at fair value through statement of profit and loss (FVTPL)				
Contingent consideration	-	-	1,389	1,389
Total financial liabilities measured at fair value	**-**	**469**	**1,389**	**1,858**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	March 31, 2023			
Financial assets and liabilities measured at fair values				
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	166	-	166
Cross currency interest rate swap	-	363	-	363
Investment in TECH4TH Solutions Inc.	-	-	1,296	1,296
Total financial asset measured at fair value	**-**	**529**	**1,296**	**1,825**
Measured at fair value through other comprehensive income (FVOCI)				
Foreign currency forward contracts	-	267	-	267
Cross currency interest rate swap	-	704	-	704
Measured at fair value through statement of profit and loss (FVTPL)				
Contingent consideration	-	-	4,233	4,233
Total financial liabilities measured at fair value	**-**	**971**	**4,233**	**5,204**

Notes:

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

a) In respect of investments in mutual funds, the fair value represents net assets value (NAV) as stated by the fund house in their published statements.

b) The fair valuation of Investment in TECH4TH Solutions Inc. is determined on the reporting date by discounted cash flow method which requires management to make certain assumptions with regard to revenue growth rate, cash flows, discount rate, credit risk, volatility etc. The Group carries out the fair valuation on an annual basis.

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

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

e) The Group has valued contingent consideration by using the monte carlo simulation approach.

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

iv) Valuation Inputs and relationship to fair value

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2024		
Contingent consideration (Acquisition of SMI)	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 45 Lakhs and ₹ 14 Lakhs respectively.
	Discount rate	7%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 1 Lakhs and ₹ 19 Lakhs respectively.

	Level 3 inputs	Weighted range	Sensitivity
	March 31, 2023		
Contingent consideration (Acquisition of SMI)	Standard deviation on revenue and EBIDTA growth	5%	Increase and decrease in standard deviation by 1% would decrease and increase contingent consideration by ₹ 96 Lakhs and ₹ 10 Lakhs respectively.
	Discount rate	7%	Increase and decrease in discount rate by 1% would decrease and increase contingent consideration by ₹ 36 Lakhs and ₹ 35 Lakhs respectively.
Contingent consideration (Acquisition of PGS Inc)	Discount rate	4%	Increase and decrease in discount rate by 1% would (decrease)/ increase contingent consideration by ₹ 17 Lakhs .
Investment in Tech4TH	Discount rate	20%	Increase and decrease in discount rate by 1% would decrease and increase fair value by ₹ 117 Lakhs and ₹ 133 Lakhs respectively.
	Long term growth rate	3%	Increase and decrease in long term growth rate by 1% would increase and decrease fair value by ₹ 68 Lakhs and ₹ 61 Lakhs respectively.
	EBIDTA margin	5%- 20%	Increase and decrease in EBIDTA margin by 1% would increase/ (decrease) fair value by ₹ 92 Lakhs.
	Revenue growth rate	20%- 51%	Increase and decrease in revenue growth rate by 5% would increase and decrease fair value by ₹ 191 Lakhs and ₹ 171 Lakhs respectively.

v) Reconciliation of Contingent consideration measured at FVTPL

	March 31, 2024	March 31, 2023
As at April 1	**4,233**	**2,758**
Acquisition of subsidiary	-	2,562
Amount recognised in profit and loss statement - refer note 30	205	718
Gain on derecognition of contingent consideration - refer note 32	(1,402)	-
Settlement during the year	(1,659)	(2,034)
Foreign currency translation reserve	12	229
As at March 31	**1,389**	**4,233**

Reconciliation of Investment in TECH4TH Solutions Inc. measured at FVOCI

	March 31, 2024	March 31, 2023
As at April 1	**1,296**	**762**
Investment during the period	-	827
Change in fair value recognised in other comprehensive income	(1,319)	(351)
Foreign currency translation reserve	23	58
As at March 31	**-**	**1,296**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

37 Financial risk management

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

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

A) Market risk

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

i. Foreign currency risk

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

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

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

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

a) **The Group's exposure to non-derivative financial instruments in foreign currency at the end of reporting period :**

Currency	Particulars	March 31, 2024		March 31, 2023	
		FC	₹	FC	₹
	Financial assets				
USD	Trade receivables	202	16,829	198	16,296
	Loans	-	-	32	2,627
	Other financial assets	92	7,627	106	8,683
	Bank accounts	88	7,366	39	3,198
	Other assets	2	169	-	-
	Net exposure on foreign currency risk (assets)	**406**	**33,848**	**375**	**30,804**
	Financial liability				
	Borrowings	226	18,807	282	23,163
	Trade payables	7	612	30	2,479
	Other financial liabilities	36	2,964	6	502
	Other liabilities	6	496	5	378
	Net exposure on foreign currency risk (liabilities)	**274**	**22,878**	**323**	**26,522**
	Net exposure on foreign currency risk (assets-liabilities)	**132**	**10,970**	**52**	**4,282**

Currency	Particulars	March 31, 2024		March 31, 2023	
		FC	₹	FC	₹
EURO	**Financial assets**				
	Trade receivables	8	723	10	859
	Other financial assets	5	481	7	588
	Bank accounts	2	198	5	468
	Other assets	*	10	*	3
	Net exposure on foreign currency risk (assets)	**16**	**1,411**	**22**	**1,918**
	Financial liability				
	Borrowings	12	1079	-	-
	Trade payables	*	*	*	*
	Other liabilities	1	54	1	63
	Net exposure on foreign currency risk (liabilities)	**13**	**1,134**	**1**	**63**
	Net exposure on foreign currency risk (assets-liabilities)	**3**	**278**	**21**	**1,855**
GBP	**Financial assets**				
	Trade receivables	6	598	6	598
	Other financial assets	1	155	3	354
	Bank accounts	2	194	2	208
	Other assets	*	32	*	16
	Net exposure on foreign currency risk (assets)	**9**	**979**	**11**	**1,176**
	Financial liability				
	Trade payables	1	68	2	162
	Other financial liabilities	4	439	2	212
	Other liabilities	1	76	1	112
	Net exposure on foreign currency risk (liabilities)	**6**	**583**	**5**	**486**
	Net exposure on foreign currency risk (assets-liabilities)	**3**	**395**	**6**	**690**

The Group enters into derivative financial instruments such as foreign currency forward contracts and Cross currency interest rate swaps to mitigate the risk of changes in exchange rates. Details of the derivative contracts held by the Group are included in Note 37(B)

* Represents number below rounding off norms of the Company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	Impact on profit before tax	
	March 31, 2024	March 31, 2023
USD sensitivity		
₹ / USD increases by 5%	548	214
₹ / USD decreases by 5%	(548)	(214)
EURO sensitivity		
₹ / EURO increases by 5%	14	93
₹ / EURO decreases by 5%	(14)	(93)
GBP sensitivity		
₹ / GBP increases by 5%	20	35
₹ / GBP decreases by 5%	(20)	(35)

* Sensitivity is calculated holding all other variables constant

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

ii. Interest rate risk

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

Sensitivity:

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

iii. Price risk

The Group exposure to price risk arises for investment in mutual funds and TECH4TH Solutions Inc. held by the Group. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. The Group doesn't have any investment in mutual fund as at March 31, 2024 and March 31, 2023.

Sensitivity:

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

	Impact on profit before tax	
	March 31, 2024	March 31, 2023
NAV increases by 5%	-	-
NAV decreases by 5%	-	-

Refer note 36 (iv) for sensitivity disclosure of investment in TECH4TH Solutions Inc.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

B) Impact of Hedge activities

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

	March 31, 2024					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Lime item in the balance sheet	Fair value*
Cash flow hedge of Foreign currency risk (for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	₹ /USD	575	48,301	Other financial assets/(liabilities)	45
- Foreign currency forward contracts	< 1 year	₹ /EURO	22	2,005	Other financial assets/(liabilities)	(2)
- Cross currency interest rate swaps	<1 year	₹ /USD	10	838	Other financial assets/(liabilities)	
	1-5 year	₹ /USD	78	6,225	Other financial assets/(liabilities)	(82)
	> 5year	₹ /USD	53	4,254	Other financial assets/(liabilities)	

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

	March 31, 2024					
	Maturity	Currency	Notional Amount (Foreign Currency)	Contracted amount in ₹	Line item in the balance sheet	Fair value* gain/(loss)
Cash flow hedge of Foreign currency risk (for highly probable forecast transactions)						
- Foreign currency forward contracts	< 1 year	₹ /USD	520	43,094	Other financial assets/(liabilities)	(29)
- Foreign currency forward contracts	< 1 year	₹ /EURO	25	2,209	Other financial assets/(liabilities)	(72)
- Cross currency interest rate swaps	<1 year	₹ /USD	9	713	Other financial assets/(liabilities)	
	1-5 year	₹ /USD	52	4,167	Other financial assets/(liabilities)	(341)
	> 5year	₹ /USD	90	7150	Other financial assets/(liabilities)	

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	Foreign currency forward contracts	Cross currency interest rate swaps	Total
Balance as at April 1, 2022	**143**	**-**	**143**
Hedge gain/(loss) recognised in Other Comprehensive Income (OCI)	(101)	(341)	(442)
Amount reclassified from OCI to statement of profit and loss	(190)	-	(190)
Income tax effect	73	86	159
Balance as at March 31, 2023	**(75)**	**(255)**	**(330)**
Hedge gain/(loss) recognised in Other Comprehensive Income (OCI)	43	(82)	(39)
Amount reclassified from OCI to statement of profit and loss	101	341	442
Income tax effect	(36)	(65)	(101)
Balance as at March 31, 2024	**33**	**(61)**	**(28)**

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

C) Credit risk

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

Revenue from one customer comprises around 13% of the total revenue of the Group. The remaining revenue of the Group is spread across wide range of customers. For receivables turnover ratio, refer note 46.

(i) Trade receivables, unbilled revenue and contract assets.

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

	Not due	1-180 days	181-365 days	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024							
Trade receivables	18,423	7,417	246	286	220	9	26,601
Unbilled Revenue							13,470
Allowance for expected loss							(1,430)
Net Trade receivables	**18,423**	**7,417**	**246**	**286**	**220**	**9**	**38,641**
As at March 31, 2023							
Trade receivables	14,955	6,420	389	307	14	15	22,100
Unbilled Revenue							12,471
Allowance for expected loss							(1,060)
Net Trade receivables	**14,955**	**6,420**	**389**	**307**	**14**	**15**	**33,511**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Reconciliation of loss allowance - trade receivables	March 31, 2024	March 31, 2023
Opening balance as at April, 1	(781)	(1,510)
Allowance made during the year (net) - refer note 31	(536)	59
Utilised/written-off during the year	165	709
Exchange difference	(5)	(39)
Closing balance as at March, 31	**(1,157)**	**(781)**

Reconciliation of loss allowance - unbilled revenue and other financial assets	March 31, 2024	March 31, 2023
Opening balance as at April, 1	(280)	(221)
Allowance made during the year - refer note 31	6	(59)
Closing balance as at March, 31	**(274)**	**(280)**

(ii) Other financial assets and cash deposit

Credit risk from balances with the banks, loans, investments in mutual funds and other financial assets are managed by the Group based on the Group policy and is managed by the Group's Treasury Team. Investment of surplus fund is made only with approved counterparties. The Group's maximum exposure to credit risk is the carrying amount of such assets as disclosed in note 36 above.

D) Liquidity risk

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

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

	March 31, 2024	March 31, 2023
RBL Bank Limited	77	105
Kotak Mahindra Bank Limited	3,498	241
Federal Bank Limited	40	35
ICICI Bank Limited	1,127	1,139
Axis Bank Ltd	2,292	199
Citibank	2,080	-
State Bank of India	8,940	7,881
	18,054	**9,600**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	On demand	Less than 1 year	More than 1 year	Total
As at March 31, 2024				
Borrowings (including current maturities)	573	36,850	13,914	51,337
Lease liabilities	-	2,925	5,082	8,008
Trade payables	-	7,915	-	7,915
Foreign currency forward contracts	-	68	401	469
Contingent consideration	-	1,389	-	1,389
Other financial liabilities #	-	6,141	3,241	9,382
	573	**55,289**	**22,638**	**78,500**
As at March 31, 2023				
Borrowings (including current maturities)	7,119	28,371	11,322	46,812
Lease liabilities	-	2,364	5,374	7,738
Trade payables	-	7,052	-	7,052
Foreign currency forward contracts	-	267	704	971
Contingent consideration	-	3,243	1,471	4,714
Other financial liabilities #	-	5,739	4,294	10,033
	7,119	**47,036**	**23,165**	**77,320**

Includes future interest payable on outstanding borrowings

38 Capital management

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

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

Particulars	March 31, 2024	March 31, 2023
Borrowings (including current maturities)	44,237	32,836
Less : Cash and cash equivalents	(11,470)	(6,999)
Net (cash and cash equivalents)/debt (A)	**32,767**	**25,837**
Equity	1,48,024	83,882
Total equity capital (B)	**1,48,024**	**83,882**
Total debt and equity (C)=(A)+(B)	**1,80,791**	**1,09,719**
Gearing ratio (A)/(C)	**18%**	**24%**

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

During the year the group has not defaulted in any loan covenants.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

39 Related party disclosure

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

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

		March 31, 2024	March 31, 2023
(i)	**Sale of service**		
	SKAN Research Trust	605	296
	Ashok Soota Medical Research LLP	53	42
	Happiest Health Systems Private Limited	2,788	811
(ii)	**Director's sitting fees:**		
	Mrs. Anita Ramachandran	27	16
	Mr. Rajendra Kumar Srivastava	16	9
	Mrs. Subha Rao Mayya	27	18
(iii)	**Commission to directors**		
	Mrs. Anita Ramachandran	3	9
	Mr. Rajendra Kumar Srivastava	19	21
	Mrs. Subha Rao Mayya	3	7
(iv)	**Contribution made to post employee benefit plan:**		
	Happiest Minds Technologies Ltd. Employees group gratuity trust	300	355
(v)	**Legal and professional fees**		
	Happiest Health Systems Private Limited	72	28
(vi)	**Advertising and business promotion expenses**		
	Happiest Health Systems Private Limited	16	-
(vii)	**Managerial remuneration# :**		
	Mr. Venkatraman Narayanan		
	Salary, wages and bonus	155	134
	Employee stock compensation expense	-	3
	Mr. Ashok Soota		
	Salary, wages and bonus	155	128

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

		March 31, 2024	March 31, 2023
	Mr. Praveen Darshankar		
	Salary, wages and bonus	60	55
	Employee stock compensation expense	*	*
	Mr. Joseph Vinod Anantharaju		
	Salary, wages and bonus	415	389
	Employee stock compensation expense	1	4
	# As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to the directors are not included above.		
	* amount below rounding off norm of the Group		
viii)	**Reimbursement of expenses received:**		
	SKAN Research Trust	-	*
	Happiest Health Systems Private Limited	-	*
ix)	**Dividend paid**		
	Mr. Joseph Vinod Anantharaju	25	17
	Mr. Ashok Soota	3,502	2,403
	Mr. Venkatraman Narayanan	30	20
	Ashok Soota Medical Research LLP	1,059	718
	Deepak Soota	3	2
	Suresh Soota	2	1
	Kunku Soota	1	1
	Usha Samuel	4	3
	Jayalakshmi Venkatraman	7	5
	Praveen Kumar Darshankar	3	2

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

		March 31, 2024	March 31, 2023
(i)	**Trade receivables:**		
	SKAN Research Trust	52	162
	Happiest Health Systems Private Limited	652	101
	Ashok Soota Medical Research LLP	5	5
(ii)	**Unbilled receivables:**		
	SKAN Research Trust	64	*
	Ashok Soota Medical Research LLP	-	26
	Happiest Health Systems Private Limited	-	45
(iii)	**Trade Payables**		
	Happiest Health Systems Private Limited	2	3
(iv)	**Commission payable**		
	Mrs. Anita Ramachandran	3	9
	Mr. Rajendra Kumar Srivastava	19	21
	Mrs. Subha Rao Mayya	3	7

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

* amount below rounding off norm of the Group

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

40 Corporate Social Responsibility ('CSR') expenditure

Details of CSR expenditure are as follows:

				March 31, 2024	March 31, 2023
(a)	Gross amount required to be spent by the Group during the year			466	322
(b)	Amount approved by the board to be spent during the year			470	336
(c)	Amount spent during the year ending on March 31, 2024 :		In cash	Yet to be paid in cash	Total
	i)	Construction/ Acquisition of any asset	-	-	-
	ii)	On purpose other than above	470	-	450
(d)	Amount spent during the year ending on March 31, 2023 :		In cash	Yet to be paid in cash	Total
	i)	Construction/ Acquisition of any asset	-	-	-
	ii)	On purpose other than above	336	-	336
(e)	Details related to spent/ unspent obligations:				
	i)	Contribution to Public Trust		-	-
	ii)	Contribution to Charitable Trust		470	336
	ii)	Unspent amount in relation to:			
		- Ongoing project		-	-
		- Other than ongoing project		-	-
				470	**336**

Details of ongoing project and other than ongoing project

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

In case of S. 135(5) (Other than ongoing Project)				
Opening balance	Amount deposited in specified fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	466	470	-

In case of S. 135(5) Excess amount spent			
Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
(35)	466	470	(39)

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

41 Interest in other entities

a) Subsidiary

The Group's subsidiary is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of entity	Principle activity	Country of Incorporation	Ownership interest held by the group %	Ownership interest held by the group %
			March 31, 2024	March 31, 2023
Happiest Minds Inc. (formerly known as PGS Inc.)	IT Services	USA	100%	100%
Sri Mookambika Infosolutions Private Limited	IT Services	India	100%	100%

b) Additional information, as required under schedule III of the Companies Act, 2013, as required enterprises considered as subsidiary.

Particular	March 31, 2024							
	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Parent company								
Happiest Minds Technologies Ltd	99.6%	1,47,370	98.9%	24,573	(2.4%)	21.00	102.6%	24,594
Subsidiary								
Happiest Minds Inc. (formerly known as PGS Inc.)	(0.2%)	(288)	10.4%	2,594	119.1%	(1,042)	6.5%	1,552
Sri Mookambika Infosolutions Private Limited	1.2%	1,836	7.3%	1,821	(2.6%)	23	7.7%	1,844
Other adjustments:	(0.6%)	(894)	(16.7%)	(4,149)	(14.1%)	123	(16.8%)	(4,026)
Total	**100%**	**1,48,024**	**100%**	**24,839**	**100%**	**(875)**	**100%**	**23,964**

Particular	March 31, 2024							
	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
Parent company								
Happiest Minds Technologies Ltd	98.5%	82,598	93.7%	21,637	162.2%	(566)	92.6%	21,071
Subsidiary								
Happiest Minds Inc. (formerly known as PGS Inc.)	(2.2%)	(1,836)	8.3%	1,926	79.4%	-277	7.2%	1,649
Sri Mookambika Infosolutions Private Limited	3.0%	2,492	1.8%	405	6.6%	-23	1.7%	382
Other adjustments:	0.7%	628	(3.8%)	(869)	(148.1%)	517	(1.5%)	(352)
Total	**100%**	**83,882**	**100%**	**23,099**	**100%**	**(349)**	**100%**	**22,750**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

42 Commitments and Contingent Liabilities

i) Capital Commitments

	March 31, 2024	March 31, 2023
Capital commitments towards purchase of capital assets	413	904

ii) Other claims against the Group not provided for in the books

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

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

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

43 Segment Information

A. Description of segments and principal activities

The Group executive management committee examines the Group's performance on the basis of its business units and has identified three reportable segments:

i) Infrastructure Management & Security Services (IMSS):

Infrastructure Management and Security Solutions (IMSS) group delivers integrated end-to-end infrastructure and security solutions with specialization in cloud, virtualization and mobility across a multitude of industry verticals and geographies. The group provides advisory, transformation, managed & hosted services and secure intelligence solutions to clients. This group has unique productized solution platforms for smart infrastructure and security solutions provides quick to deploy, mature service delivery over Global SOC/NOC.

ii) Digital Business Services (DBS):

Digital Business Services group delivers enterprise applications and customised solutions that enable organizations to be smarter and accelerate business transformations. The group provides advisory, design & architecture, custom-app development, package implementation, testing and on-going support services to IT initiatives. The business drivers for these applications are: increasing market share, enhancing customer engagement, improving agility and efficiency of internal operations, reducing cost, driving differentiation and standardizing business processes.

iii) Product Engineering Services (PES):

Product Engineering Services group assists software product companies in building robust products and services that integrate mobile, cloud and social technologies. The group helps clients understand the impact of new technologies and incorporate these technologies into their product roadmap. This group focuses on technology depth, innovation and solution accelerators allows us to deliver time-to-market, growth and cost benefits to clients.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

B. Segment revenue, segment results other information as at/ for the year:

Year ended March 31, 2023	IMSS	DBS	PES	Total
Revenue from contracts with customers				
External customers	29,746	47,591	85,129	1,62,466
Inter-segment				-
Segment revenue	**29,746**	**47,591**	**85,129**	**1,62,466**
Segment results	**7,751**	**14,825**	**30,245**	**52,821**
Reconciliation to profit after tax:				
Interest income				7,958
Net gain on investments carried at fair value through profit or loss				18
Other unallocable income				561
Unallocable finance cost				(4,022)
Unallocable depreciation and amortisation expenses				(3,672)
Other unallocable expenses				(20,196)
Tax				(8,629)
Profit for the year				**24,839**
Segment assets	7,291	22,218	33,144	62,653
Reconciliation to total assets:				
Investments				-
Derivative instruments				430
Other unallocable assets				1,61,696
Total				**2,24,779**
Segment liability	2,131	3,202	5,777	11,110
Reconciliation to total liabilities:				
Borrowings				44,237
Other unallocable liabilities				21,408
Total				**76,755**

Year ended March 31, 2023	IMSS	DBS	PES	Total
Revenue from contracts with customers				
External customers	30,694	43,070	69,165	1,42,929
Inter-segment	-	-	-	-
Segment revenue	**30,694**	**43,070**	**69,165**	**1,42,929**
Segment results	**9,243**	**13,089**	**28,113**	**50,445**
Reconciliation to profit after tax:				
Interest income				2,610
Net gain on investments carried at fair value through profit or loss				803
Other unallocable income				(1,302)
Unallocable finance cost				(2,102)
Unallocable depreciation and amortisation expenses				(4,191)
Other unallocable expenses				(15,277)
Tax				(7,887)
Profit for the year				**23,099**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Year ended March 31, 2023	IMSS	DBS	PES	Total
Segment assets	6,420	19,590	34,452	60,462
Reconciliation to total assets:				
Investments				1,296
Derivative instruments				529
Other unallocable assets				1,01,796
Total				**1,64,083**
Segment liability	965	6,560	8,775	16,300
Reconciliation to total liabilities:				
Borrowings				44,885
Other unallocable liabilities				19,016
Total				**80,201**

Note

(i) Assets (other than accounts receivable and unbilled revenue) and liabilities (other than unearned revenue) of the Group are used interchangeably between segments, and the management believes that it can not be allocated to specific segment.

(ii) The expense / income that are not directly attributable and that cannot be allocated to a business segment on a reasonable basis are shown as unallocable expenses.

C. Entity-wide disclosures

i) The amount of revenue from external customers broken down by location of customers is shown below:

	For the year ended	
	March 31, 2024	March 31, 2023
India	26,668	22,982
USA	1,14,289	97,251
Europe	14,751	13,811
Others	6,758	8,885
	1,62,466	**1,42,929**

ii) The break-up of non-current assets by location of assets is shown below:

	As at	
	March 31, 2024	March 31, 2023
India	32,745	34,143
USA	8,579	9,278
UK	1	4
	41,325	**43,425**

Non-current assets for this purpose consists of Property, plant and equipment, intangible assets and right-of-use assets.

iii) Revenue from customers of the Group which is individually more than 10 percent of the Group's total revenue:

	For the year ended	
	March 31, 2024	March 31, 2023
One customer	11.82%	13.05%

Note:

The Group has established new business unit Generative AI Business Services (GBS) and re-structured two of its existing business units, namely Digital Business Services ("DBS") and Product Engineering Services ("PES") by merging into new business unit Product and Digital business service ("PDES"). The Business unit Infrastructure Management & Security Services (IMSS) continues to operate in the same name.This new structure is effective April 01, 2024.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

44 Share based payments

Employee Share Option Plan (ESOP)

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

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

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

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

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

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

	For the year ended	
	March 31, 2024	March 31, 2023
Employee stock compensation expense	47	120

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Movements during the year

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

March 31, 2024

Options - India/UK Plan	Employee Stock Ownership Plan 2011		Employee Stock Ownership Plan 2015	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,92,633	25.95
Granted during the year	-	-	-	-
Exercised during the year	-	-	(7,51,716)	25.93
Forfeited during the year	-	-	(54,049)	26.00
Outstanding options as at the end of the year	-	-	11,86,869	25.95
Weighted Average Remaining Contractual Life	-		2.89 years	

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	-	-	19,475	26.00
Granted during the year			-	-
Exercised during the year			(7,825)	26.00
Forfeited during the year			-	-
Outstanding options as at the end of the year	-	-	11,650	26.00
Weighted Average Remaining Contractual Life	-		1.85 years	

March 31, 2023

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

Options - USA Plan	Equity Incentive Plan for US Employees-2011		Equity Incentive Plan for US Employees-2011	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding at the beginning of the year	16,000	6.00	29,830	26.00
Granted during the year	-	-	-	-
Exercised during the year	(6,000)	6.00	(10,355)	26.00
Forfeited during the year	(10,000.00)	6.00	-	-
Outstanding options as at the end of the year	-	-	19,475	26.00
Weighted Average Remaining Contractual Life	-		2.74 years	

*Weighted Average Exercise Price

No options were granted during the year (March 31, 2023 - Nil)

The weighted average share price of shares exercised during the year is ₹ 875.62 (March 31, 2023 - ₹ 944.91)

Exercisable options as at March 31, 2024 - 12,02,967 options (March 31, 2023 - 12,17,785 options) and weighted average exercise price - ₹ 25.96 (March 31, 2023 - ₹ 25.91)

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

45 Business acquisitions

Acquisition during the year ended March 31, 2023

On January 1, 2023, the Group obtained operational and management control of Sri Mookambika Infosolutions Private Limited ('SMI'), a Madurai based Company which provides product engineering services to its US customers primarily in the healthcare sector, through a Control Agreement. This was followed by execution of the share purchase agreement on January 25, 2023 with the transfer of shares and payment of cash consideration on February 6, 2023. The Group acquired 100% equity in SMI for total consideration of ₹ 13,694 Lakhs, comprising cash consideration of ₹ 11,132 Lakhs and fair-value of contingent consideration of ₹ 2,562 Lakhs which is indexed to revenue and EBITDA margins over a period of 2 years from the date of acquisition. As a result of this acquisition the Group recorded goodwill of ₹ 5,404 Lakhs and other intangible assets of ₹ 8,259 Lakhs.

The Group has consolidated SMI w.e.f January 1, 2023.

The objective of the acquisition is to bring in deep domain capabilities in the healthcare sector and therefore is expected to strengthen Group's health care vertical

The following table presents the purchase consideration, fair value of assets and liabilities acquired and goodwill recognised on the date of control.

Details of Fair value recognised on acquisition:

	Amount
Property, plant and equipment	174
Intangible assets	8,259
Trade receivables	869
Cash and cash equivalent	6
Bank and bank balances	1,243
Other Financial assets	65
Loans	1,024
Other assets	86
Provisions for gratuity	(256)
Other Provisions	(36)
Borrowings	(104)
Other Financial liabilities	(929)
Other current liabilities	(194)
Trade payables	(14)
Deferred tax liability on intangible assets	(1,903)
Total fair value of net assets acquired (A)	**8,290**
Fair value of purchase consideration (B)	**13,694**
Goodwill arising on acquisition (C)- (A-B)	**5,404**

The goodwill of ₹ 5,404 Lakhs represents the skilled workforce, domain capabilities and expected synergies arising from expanding the Group's service to other health care customers. Goodwill is allocated to PES segment and is not deductible for tax purpose. Refer note 4

Purchase consideration	Amount
Cash consideration	11,132
Fair value of contingent consideration	2,562
Total purchase consideration	**13,694**

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Transaction costs amounting to ₹ 16 Lakhs relating to the acquisition have been expensed and are included in other expenses.

Revenue and profit contribution:

The acquired business contributed revenues of ₹ 2,053 Lakhs and net profit after tax of ₹ 235 Lakhs to the Group post acquisition.

If the acquisition had occurred on April 1, 2022, consolidated revenue would have been ₹ 149,773 Lakhs and net profit after tax of ₹ 22,792 Lakhs respectively for the year ended March 31, 2023. These amounts have been calculated using the subsidiary's financial statements and adjusting them for:

a) differences in the accounting policies between the Group and the subsidiary, and

b) the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from April 1, 2022, together with the consequential tax effects.

46 Additional Information

(a) **Ratio analysis and its elements**

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason for variance
Current ratio	Current Assets	Current Liabilities	3.14	1.86	68%	Increase in investments in fixed deposit as at March 31 2024
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.35	0.64	(46%)	Impact on account of issue of shares through Qualified Institutions Placement ("QIP") during March 31, 2024
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments (excludes repayments for Packing credit foreign currency loan)	5.25	4.95	6%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.21	0.29	(26%)	Impact on account of issue of shares through Qualified Institutions Placement ("QIP") during March 31, 2024
Trade Receivable Turnover Ratio	Net revenue	Average Trade Receivable	6.95	7.51	(7%)	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.66	3.77	(3%)	
Net Capital Turnover Ratio	Net revenue	Working capital = Current assets – Current liabilities	1.34	2.88	(53%)	Higher working capital following the QIP during the year.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.15	0.16	(5%)	

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reason for variance
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	0.21	0.29	-28%	Higher working capital following the QIP during the year.
Return on Investment	Interest (Finance Income) and gain from mutual funds	Investments (includes mutual funds, investment in TECH4TH Solutions Inc. and fixed deposits)	0.08	0.05	56%	Increase of investments in fixed deposits as at 31st March, 2024 resulted in higher yield.

(b) The Group has not given any loans and advances in the nature of loan granted to promoters, directors and KMPs.

(c) The Group has not been declared a willful defaulter by any bank or financial institution or other lender.

(d) The Group does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013.

(e) The Group does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(f) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

(g) The Group 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.

(h) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(j) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

47 Events after reporting period

(i) On April 24, 2024, the Parent signed definitive agreements to acquire 100% of the equity share capital of PureSoftware Technologies Private Limited ("PureSoftware"), a Noida based company, for a total purchase consideration of US $ 94.5 Million (₹ 77,900 Lakhs) (Upfront of ₹ 63,474 Lakhs on closing and deferred consideration of upto ₹ 14,426 Lakhs payable at the end of FY25 on achievement of set performance targets) subject to closing conditions set out in the agreement. The Company is expecting to close this transaction by May 31, 2024.

(ii) On April 18, 2024, the Parent signed share purchase agreement to acquire 100% of the equity interest in Macmillan Learning India Private Limited, a Bengaluru based company, for a total purchase consideration of ₹ 444 Lakhs. The Company paid the purchase consideration on April 30, 2024 and the shares were subsequently transferred to Company's name.

(iii) The Board of Directors of the Company at its meeting held on March 13, 2024 had approved the Scheme of Amalgamation of Sri Mookambika Infosolutions Private Limited (Wholly Owned Subsidiary - Transferor Company) with the Company (Holding Company - Transferee Company) and their respective Shareholders and Creditors, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The Company has filed the application with National Company Law Tribunal, Bengaluru on March 27, 2024 and the NCLT has admitted the application on April 17, 2024.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

48 The Board of Directors of the Parent at their meeting held on May 6, 2024, recommended the payout of a final dividend of ₹ 3.25/- per equity share of face value ₹ 2/- each for the financial year ended March 31, 2024 . This recommendation is subject to approval of shareholders at the 13th Annual General Meeting of the Company scheduled to be held on June 28, 2024.

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

50 The Company maintains the information and documents as required under the transfer pricing regulations under Section 92-92F of the Income Tax Act, 1961. The management is in the process of updating the transfer pricing documentation for the financial year 2023 - 2024 and is of the view that its transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

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

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

Vikas Bagaria
Partner
Membership no.: 060408
Place: Bengaluru, India
Date: 06-05-2024

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

Ashok Soota
Executive Chairman
DIN : 00145962
Place: Bengaluru, India
Date: 06-05-2024

Venkatraman Narayanan
Managing Director & Chief Financial Officer
DIN : 01856347
Place: Bengaluru, India
Date: 06-05-2024

Praveen Darshankar
Company Secretary
FCS No.: F6706
Place: Bengaluru, India
Date: 06-05-2024

Notes

Corporate Information

BOARD OF DIRECTORS

Ashok Soota
Executive-Chairman

Joseph Anantharaju
Executive Vice Chairman & CEO, Product & Digital Engineering Services (PDES)

Venkatraman Narayanan
Managing Director & CFO

Anita Ramachandran
Independent Director

Rajendra Srivastava
Lead Independent Director

Shuba Rao Mayya
Independent Director

COMMITTEES OF THE BOARD

AUDIT
Shuba Rao Mayya - *Chairperson*
Anita Ramachandran - *Member*
Venkatraman Narayanan - Member

NOMINATION, REMUNERATION & BOARD GOVERNANCE
Rajendra Kumar Srivastava - *Chairperson*
Ashok Soota - *Member*
Anita Ramachandran - *Member*
Shuba Rao Mayya - *Member*

CORPORATE SOCIAL RESPONSIBILITY
Shuba Rao Mayya - *Chairperson*
Joseph Anantharaju - *Member*
Ashok Soota - *Member*

ADMINISTRATIVE AND STAKEHOLDERS RELATIONSHIP
Anita Ramachandran - *Chairperson*
Shuba Rao Mayya - *Member*
Venkatraman Narayanan - *Member*

RISK MANAGEMENT
Joseph Anantharaju - *Chairperson*
Anita Ramachandran - *Member*
Shuba Rao Mayya - *Member*
Venkatraman Narayanan - *Member*

STRATEGIC INITIATIVES
Rajendra Kumar Srivastava - *Chairperson*
Ashok Soota - *Member*
Anita Ramachandran - *Member*
Joseph Anantharaju - *Member*
Venkatraman Narayanan - *Member*

COUNSEL/LEGAL CONSULTANTS

Khaitan & Co
Uday Shankar Associates
Wilson Elser Moskowitz
Edelman & Dicker LLP
Collyer Bristow LLP
Habbu & Park
Eastern Bridge
Kingston Smith LLP
Goel & Anderson, LLC

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

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Kotak Mahindra Bank Ltd
RBL Bank Ltd
Federal Bank Ltd
ICICI Bank Ltd
HDFC Bank Ltd
Axis Bank Limited
Standard Chartered Bank
Bank of America, NA
Citibank NA
JP Morgan Chase Bank NA

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
IL&FS Financial Centre,
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