INDEPENDENT AUDITORS' REPORT

To the members of SOLCEN TECHNOLOGIES PRIVATE LIMITED

Report on Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SOLCEN TECHNOLOGIES PRIVATE LIMITED**, ("the Company"), which comprise of the Balance sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone financial statements give the information required by the Companies Act ("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, 2021 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibilities for the 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 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. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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Information other than financial statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to the Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's information, but does not include the standalone financial statements and Auditor's report thereon.

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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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 judgements 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 standalone 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 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 management either intends to liquidate the company or cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for the Audit of Financial Statements

Our objective is to obtain a 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 I 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 in place and the operating effectiveness of such controls

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, whether a material uncertainty exists related to the 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 exist, we are required to draw attention in our audit report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the 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 misstatement in the 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 control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report 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 appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards as specified under Section 133 of the Act.

    e. On the basis of written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 over financial reporting 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 control over financial reporting.

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g. With respect to the other matters to be included in the Auditor's report in accordance with the requirement of section 197(16) of the Act, as amended is not applicable to the Company as it is unlisted.

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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The company does not have any pending litigations which would impact its financial position.

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

   iii. The requirement of transferring amounts to the Investor Education and Protection Fund by the Company is not applicable since there are no unclaimed amounts due for more than 7 years.

2. As required by the Companies (Auditor's Report) Order 2016 (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 S B V A & Associates
Chartered Accountants
Firm Registration No: 011122S

ABHIRAM PRAHLAD
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Date: 2021.06.29 19:48:26 +05'30'

Abhiram P
Partner
Membership No: 232719
UDIN: 21232719AAAAAY3583

Date: 29th June 2021
Place: Bengaluru

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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 to the members of **Solcen Technologies Private Limited** of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of **Solcen Technologies Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("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 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.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness.
Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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The procedures selected depend on the auditor's judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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.

For S B V A & Associates
Chartered Accountants
Firm Registration No: 011122S

ABHIRAM PRAHLAD

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Date: 2021.06.29 19:49:09 +05'30'

Abhiram P
Partner
Membership No: 232719
UDIN: 21232719AAAAAY3583

Date: 29th June 2021
Place: Bengaluru

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Annexure - B to the Independent Auditors' Report

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Solcen Technologies Private Limited ("the Company") on the standalone financial statements for the year ended March 31, 2021.

Based on the audit procedures performed for the purpose of reporting true and fair view on the standalone financial statements of the company and taking into consideration the explanation and information given to us and books of accounts and other records examined by us in the normal course of audit, we report that:

i. In respect of Company's fixed assets:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

ii. The Company is in the business of software development services and does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the order is not applicable to the Company.

iii. According to the information and explanation given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties, which are covered under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of clause 3 (v) of the order are not applicable to the company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

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vii. According to the information and explanation given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, customs duty, goods and service tax and other material statutory dues, as applicable have generally been regularly deposited with the appropriate authorities. There were no undisputed statutory due amounts payable in respect thereof in arrears as at March 31, 2021 for a period for more than six months from the date they became payable. As at March 31, 2021, the company does not have any disputed statutory dues.

viii. According to the information and explanation given to us, the Company has not taken loans or borrowings from any financial institution and banks during the year. Hence the reporting on defaults in repayments of loans or borrowings under clause 3 (viii) does not arise.

ix. According to the information and explanation given to us, the Company has not raised any money by the way of initial public offer / further public offer / debt instruments and terms loans during the year. Hence the reporting under clause 3 (ix) of the order does not arise.

x. Based on the audit procedures performed for the purpose of reporting true and fair view of the standalone financial statements and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

xi. According to the information and explanation given to us, the managerial remuneration has been paid in accordance with requisite approvals.

xii. In our opinion, the company is not a Nidhi company. Hence, reporting under clause 3(xii) of the Order is not applicable to the company.

xiii. According to the information and explanation given to us, transactions with related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to standalone financial statements, as required.

xiv. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, reporting under clause 3(xiv) of the Order is not applicable to the company.

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xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors as referred to in section 192 of the Act.

xvi. According to the information and explanation given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S B V A & Associates
Chartered Accountants
Firm Registration N0: 011122S

ABHIRAM PRAHLAD
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Abhiram P
Partner
Membership No: 232719
UDIN: 21232719AAAAAY3583

Date: 29TH June 2021
Place: Bengaluru

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SOLCEN TECHNOLOGIES PRIVATE LIMITED

Corporate Information and Statement of Significant Accounting Policies

Year : 01st April 2020 to 31st March 2021

1. **Corporate information**

Solcen Technologies Private Limited ("Solcen" or "the company"), was incorporated on 1st January 2016 as a private limited company under the Companies Act, 2013. The registered office of the company is located at 43/B, Raman Towers, 1st Floor, 1st Main, 1st Phase, J P Nagar, Bengaluru 560078.

The company is engaged in providing software development and other related Information technology (IT) support services to its customers. Surya Software Systems Private Limited (Domestic share holder) and Chanel Limited, UK (Foreign shareholder) are the shareholders during the aforementioned period.

2. **Significant accounting policies**

2.1 Basis of preparation

The financial statements 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.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount: ·

Certain financial assets and liabilities measured at fair value.

The financial statements are presented in INR, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period. An additional balance sheet as at 1st April 2019 is presented in these financial statements as these are the first financial statements of the Company prepared in accordance with Ind AS compliant Schedule III. Refer Note: 30

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities 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 intended use and to render services out of its use and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

The Company determined the functional currency and items included in the financial statements are measured using the functional currency. The Company's financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the spot rates at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average rate approximates the actual rate at the date of transaction.

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

Exchange difference arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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 is 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 Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

c) 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 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.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in following notes:

- Disclosure for fair valuation methods, significant estimates and judgements – Note no: 31

d) **Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principle in its revenue arrangements because it typically controls the services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or levies collected on behalf of the government.

Performance obligations and revenue recognition

Information about the Company’s performance obligations and revenue recognition thereon are summarised below:

Income from services

Service income is recognised as and when the services are rendered to the customers.
Revenue is recognized on cost plus model on the basis of agreements with the customers for IT Services rendered by the Company.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR 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 or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Contract balances:

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

e) **Taxes**

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 India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss either in other comprehensive income or in equity, in correlation to the underlying transaction. 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.

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 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.

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.

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.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognized 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 recognized 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.

Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f) **Property, plant and equipment**

Capital work in progress and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Note 2.3 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation is calculated on a straight-line method (SLM) over the estimated useful lives of the assets as follows:

Assets Description	**Useful lives estimated by management (SLM) (Years)**
Computers and Data Processing Equipment	3
Furniture and Fixtures	5
Office Equipment – Computer accessories	3
Office Equipment – Mobile phones	3

Leasehold improvements acquired on operating lease are amortized over the period of the respective leases or their estimated useful life, whichever is lower.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) **Leases**

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.

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.

a. 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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

b. 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.

c. 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, equipment and computers (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.

h) **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 assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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 companies 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.

For assets, 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 assets or 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 or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i) **Provisions**

General

Provisions are recognised when the Company has 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 and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

j) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

Leave Encashment / compensated absences

Accumulated leave, which is expected to be utilized within the next twelve 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.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gain/loss are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(b) Performance Bonus:

The yearly Performance Bonus for the employees who are eligible shall be paid by the Company on or before 31st March every year based on the evaluation made by the management.

(c) Retention Bonus:

Retention Bonus offered to select employees of the Company being contingent upon the employee continuing service in the Company till the expiry of retention period stipulated in the offer letter given to the employee concerned the same shall be paid on completion of the retention period on cash basis.”

Financial Instruments

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

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

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:

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 11 and Ind AS 18

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

- Trade receivables
- 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.

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.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

- ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities 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. 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 recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

k) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

l) **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet 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.

2.3 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment retirement benefits 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; future salary increases and mortality rates. Due to the 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. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates in India.

Further details about gratuity obligations are given in Note 24

b. **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value 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 judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c. **Useful life of assets considered for depreciation of Property, Plant and Equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The lives are based on prior asset usage experience and the risk of technological obsolescence.

SOLCEN TECHNOLGIES PRIVATE LIMITED
BALANCE SHEET

(Amount in Indian Rupees)

Particulars	Note no	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
I. ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	34,33,060	-	-
(b) Right of use (ROU) assets	4	2,37,87,313	3,96,54,037	2,64,78,603
(c) Financial Assets				
(i) Loans (Security deposits)	5(iii)	1,29,22,498	1,19,65,276	65,83,771
(d) Deferred tax assets (net)	6	64,80,979	48,02,153	16,49,341
(e) Income tax asset (net)	7	1,18,000	4,00,382	19,56,827
Total non-current assets		**4,67,41,850**	**5,68,21,849**	**3,66,68,542**
CURRENT ASSETS				
(a) Financial Assets				
(i) Investments	5(i)	74,44,564	70,36,770	58,60,112
(ii) Trade receivables	5(ii)	4,62,50,126	2,09,63,893	2,45,24,395
(iii) Current Tax Assets (net)	8	-	-	4,00,382
(iv) Cash and cash equivalents	9	7,44,02,476	5,05,77,307	1,21,58,730
(v) Bank balance other than (iv) above	10(a)	6,11,372	5,78,394	5,47,013
(vi) Other financial assets	10(b)	4,267	5,576	5,587
(b) Other current assets	11	2,03,54,700	3,37,46,136	3,31,05,330
Total current assets		**14,90,67,505**	**11,29,08,075**	**7,66,01,550**
TOTAL ASSETS		**19,58,09,355**	**16,97,29,924**	**11,32,70,092**

Balance Sheet (contd.)

(Amount in Indian Rupees)

Particulars	Note no	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	12	1,00,000	1,00,000	1,00,000
(b) Other equity	13	13,86,86,723	3,11,40,494	1,92,11,056
Total equity		**13,87,86,723**	**3,12,40,494**	**1,93,11,056**
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Lease liabilities	4	1,10,72,615	2,29,11,991	1,27,16,723
(b) Provisions	14	2,26,91,071	1,68,18,674	69,36,508
Total non-current liabilities		**3,37,63,686**	**3,97,30,665**	**1,96,53,231**
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Lease liabilities	4	1,18,39,376	1,73,28,493	1,37,61,881
(ii) Other Financial Liabilities	15	-	41,810	1,34,223
(b) Trade Payables				
Total outstanding dues of micro enterprises and small enterprises	16	-	3,65,004	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	33,24,213	23,88,476
(c) Liabilities for current tax (net)	17	1,20,245	14,37,360	-
(d) Provisions	14	34,58,238	23,69,228	22,97,556
(e) Other Current liabilities	18	78,41,086	7,38,92,655	5,57,23,670
Total current liabilities		**2,32,58,945**	**9,87,58,764**	**7,43,05,806**
TOTAL EQUITY AND LIABILITIES		**19,58,09,355**	**16,97,29,924**	**11,32,70,092**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S B V A & Associates
Chartered Accountants
Firm Registration Number: 011122S

Abhiram P
Partner
Membership Number: 232719

Place: Bengaluru
Date: 29th June 2021

For and on behalf of Board of Directors of
Solcen Technologies Private Limited

Ashwin Yardi
Additional Director
DIN: 07799277

Place: Mumbai
Date: 29th June 2021

Hubert Giraud
Additional Director
DIN:00817709

Place: Paris
Date: 29th June 2021

SOLCEN TECHNOLGIES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS

(Amount in Indian Rupees)

Particulars	Note no	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Continuing Operations			
I. Revenue from operations	19	47,97,26,898	38,63,26,440
II. Other income (net)	20	1,32,80,052	1,20,39,603
III. TOTAL INCOME (I + II)		**49,30,06,950**	**39,83,66,043**
EXPENSES			
(a) Employee benefit expense	21	25,36,51,076	21,31,79,371
(b) Depreciation and amortisation expense	22	1,67,76,332	1,49,86,659
(c) Finance costs	23 & 3	42,14,456	52,97,429
(d) Other expenses	24	7,04,88,560	9,08,09,933
IV. TOTAL EXPENSES		**34,51,30,423**	**32,42,73,392**
V. Profit/(loss) before exceptional items and tax (III - IV)		14,78,76,527	7,40,92,651
VI. Exceptional items		26,77,249	-
VII. Profit(loss) before tax (V - VI)		**14,51,99,278**	**7,40,92,651**
Tax expense:			
(1) Current tax		3,84,24,907	2,33,46,443
(2) Deferred tax	6	(16,78,826)	(31,52,813)
(3) Previous year tax adjustments		15,732	2,446
VIII. Total tax expense		3,67,61,813	2,01,96,076
IX. Profit/(loss) after tax from continuing operations (VII-VIII)		**10,84,37,465**	**5,38,96,575**
X. Discontinued Operations			
(1) Profit/(loss) from discontinued operations		-	-
(2) Tax Expense of discontinued operations		-	-
XI. Profit/(loss) after tax from discontinued operations (IX-X)		**-**	**-**
XII. Profit/(loss) for the period (IX + XI)		**10,84,37,465**	**5,38,96,575**

Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss:			
(a) Remeasurements of the defined benefit - (Loss) / Gain		(8,91,236)	(20,55,792)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that may be reclassified to profit or loss		-	-
(a) Others			
(ii). Income tax on items that may be reclassified to profit or loss		-	-
XIII. Total other comprehensive income/(loss), net of tax		**(8,91,236)**	**(20,55,792)**
XIV. Total comprehensive income for the year (XII + XIII)		**10,75,46,229**	**5,18,40,783**
Earnings per equity share			
Equity shares of face value Rs. 10 each			
Basic		10,754.62	5,184.08
Diluted		10,754.62	5,184.08
Weighted average equity shares used in computing earnings per equity share			
Basic		10,754.62	5,184.08
Diluted		10,754.62	5,184.08

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S B V A & Associates Chartered Accountants Firm Registration Number: 011122S	For and on behalf of Board of Directors of Solcen Technologies Private Limited Ashwin Yardi	 Hubert Giraud
Abhiram P Partner Membership Number: 232719	Additional Director DIN: 07799277	Additional Director DIN:00817709
Place: Bengaluru Date: 29th June 2021	Place: Mumbai Date: 29th June 2021	Place: Paris Date: 29th June 2021

SOLCEN TECHNOLGIES PRIVATE LIMITED
STATEMENT OF CASH FLOWS

(Amount in Indian Rupees)

Particulars	Note no	As at March 31, 2021	As at March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		14,78,76,527	7,40,92,651
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortization expense		1,67,76,332	1,49,86,659
Unrealized foreign exchange (gain) / loss, net		(42,88,310)	(13,53,817)
Interest on security deposit		(9,57,222)	(8,36,646)
Dividends from Mutual Fund		(4,601)	(5,383)
Profit/(Loss) on Redemption of MF		(10,443)	-
Profit on Sale of Asset		-	-
Fair value gain on Mutual Fund		(5,92,690)	(11,71,276)
Interest income on fixed deposits		(60,199)	(90,826)
Interest income on income tax refund		-	(1,56,344)
Interest on lease liability		32,19,239	43,71,256
Amortization of prepaid expenses of deposit		9,95,217	9,26,174
Gratuity and leave encashment expenses (long term provisions)		40,92,348	95,88,211
Operating profit before working capital changes		16,70,46,197	10,03,50,660
Working capital adjustments:			
Increase / (decrease) in provisions		10,89,010	71,672
Increase / (decrease) in trade payables and other liabilities		(7,10,99,711)	2,08,14,673
(Increase) / decrease in trade receivables including unbilled revenues		(2,52,86,233)	35,60,502
(Increase) / decrease in loans, advances and other assets		1,35,16,757	(19,70,789)
Cash generated from / (used in) operations		**8,52,66,020**	**12,28,26,718**
Direct taxes paid		(3,68,00,000)	(2,19,00,000)
Refund received		-	21,10,730
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)		**4,84,66,020**	**10,30,37,448**
B. CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase)/Sale of property, plant and equipment, including capital work-in-progress and capital advances		(43,42,667)	-
Interest received		60,199	2,47,170
Net (increase)/decrease in mutual fund investments		1,89,350	-
NET CASH USED IN INVESTING ACTIVITIES (B)		**(40,93,118)**	**2,47,170**

C. CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(2,05,47,732)	(1,87,71,468)
Payment of Security Deposit		-	(61,83,230)
Dividend Paid including tax		-	(3,99,11,347)
NET CASH USED IN FINANCING ACTIVITIES (C)		**(2,05,47,732)**	**(6,48,66,045)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		2,38,25,169	3,84,18,573
Cash and cash equivalents at the beginning of the year		5,05,77,307	1,21,58,730
Cash and cash equivalents at the end of the year		7,44,02,476	5,05,77,304
Components of cash and cash equivalents			
Balance with banks			
On current accounts	8	7,44,02,476	5,05,77,307
Deposits with original maturity of less than 3 months			
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For S B V A & Associates	For and on behalf of Board of Directors of	
Chartered Accountants	Solcen Technologies Private Limited	
Firm Registration Number: 011122S	Ashwin Yardi	Hubert Giraud
Abhiram P	Additional Director	Additional Director
Partner	DIN: 07799277	DIN:00817709
Membership Number: 232719		
Place: Bengaluru	Place: Mumbai	Place: Paris
Date: 29th June 2021	Date: 29th June 2021	Date: 29th June 2021

SOLCEN TECHNOLGIES PRIVATE LIMITED
Note on Property, plant and equipment

(Amount in Indian Rupees)

Particulars	Computers and Data Processing Equipments	Furnitures and Fixtures	Office Equipments - Computer Accessories	Office Equipments - Mobile Phones	Total
Gross carrying value					
As at April 1st, 2019	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31st, 2020	**-**	**-**	**-**	**-**	**-**
Additions	24,45,432	7,88,889	5,96,419	5,11,927	43,42,667
Disposals					
As at March 31, 2021	**24,45,432**	**7,88,889**	**5,96,419**	**5,11,927**	**43,42,667**
Depreciation					
As at April 1st, 2019	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31st, 2020	**-**	**-**	**-**	**-**	**-**
Additions	5,34,798	1,06,628	2,12,456	55,726	9,09,607
Disposals	-	-	-	-	-
As at March 31, 2021	**5,34,798**	**1,06,628**	**2,12,456**	**55,726**	**9,09,607**
Net book value					
As at March 31, 2021	**19,10,635**	**6,82,261**	**3,83,963**	**4,56,201**	**34,33,060**

Solcen Technologies Private Limited
Note 4 : Leases and Right to use assets

The Company has lease contracts for its offices used in its operations. Theses leases generally have lease terms of 3 to 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets. There are two lease contracts that include extension and termination options at mutual consent

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	31-Mar-21	31-Mar-20	1-Apr-19
As at the beginning of the reporting period	3,96,54,037	2,64,78,603	-
Additions	-	2,81,62,093	2,64,78,603
Depreciation Expense	1,58,66,724	1,49,86,659	-
As at end of reporting period	**2,37,87,313**	**3,96,54,037**	**2,64,78,603**

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the period:

	31-Mar-21	31-Mar-20	1-Apr-19
As at the beginning of the reporting period	4,02,40,484	2,64,78,603	-
Additions	-	2,81,62,093	2,64,78,603
Accretion of interest	32,19,239	43,71,256	-
Payments	2,05,47,732	1,87,71,468	-
As at end of reporting period	**2,29,11,991**	**4,02,40,484**	**2,64,78,603**

The effective interest rate for lease liabilities is 8%

Classification of Lease rentals	**Current**	**Non Current**
As at 01/04/2019	1,37,61,881	1,27,16,723
As at 31/03/2020	1,73,28,493	2,29,11,991
As at 31/03/2021	1,18,39,376	1,10,72,615

The Company had total cash outflows for leases of Rs 2,05,47,731 in March 31, 2021 (March 31, 2020: Rs 1,87,71,468). The Company had no non-cash additions to right-of-use assets and lease liabilities (March 31, 2020: Rs 2,81,62,093).

The following are the amounts recognised in profit or loss:

	31-Mar-21	31-Mar-20	1-Apr-19
Depreciation expense of right-of-use assets	1,58,66,724	1,49,86,659	-
Interest expense on lease liabilities	32,19,239	43,71,256	-
	1,90,85,963	**1,93,57,915**	**-**

Disclosure of ROU Assets as per the requirements

Year	Gross Block as at the beginning of the year	Additions	Deletions	Gross Block as at the end of the year	Accumulated Depreciation as at the beginning of the year	Additions	Deletions	Accumulated Depreciation as at the end of the year	Net Block
2019-2020	2,64,78,603	2,81,62,093	-	5,46,40,696	-	1,49,86,659	-	1,49,86,659	3,96,54,037
2020-2021	5,46,40,696	-	-	5,46,40,696	1,49,86,659	1,58,66,724	-	3,08,53,383	2,37,87,313
TOTAL	**5,46,40,696**	**2,81,62,093**	**-**	**5,46,40,696**	**1,49,86,659**	**3,08,53,383**	**-**	**3,08,53,383**	**2,37,87,313**

Notes forming part of Balance Sheet

Note 5: Financial Assets	**Current**			**Non-Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**	**As at 31st March 2021**	**As at 31st March 2020**	**As at 1st April 2019**
(i) Investments in mutual funds (note: 25)	74,44,564	70,36,770	58,60,112			-
(ii) Trade receivables						
Unsecured, considered good	4,62,50,126	2,09,63,893	2,45,24,395			-
(iii) Security deposits				1,29,22,498	1,19,65,276	65,83,771
Unsecured, considered good						
Total	**5,36,94,690**	**2,80,00,663**	**3,03,84,507**	**1,29,22,498**	**1,19,65,276**	**65,83,771**

Note 6: Deferred tax assets (net)	**As at 31st March 2021**	**As at 31st March 2020**	**As at 1st April 2019**
Depreciation as per Companies Act	9,09,607	-	1,14,954
Depreciation as per Income Tax Act	11,01,627	-	-
Timing difference - Deferred tax (Asset)/Liability - A	**1,92,020**	**-**	**1,14,954**
Gratuity and leave encashment expenses debited for the period	87,20,059	95,52,006	39,47,092
Gratuity and leave encashment expenses debited to Other comprehensive income	8,91,236	20,55,792	-
Less: Allowed as per Income Tax Act on payment basis	27,13,434	2,39,537	48,823
Timing difference - Deferred tax (Asset)/Liability - A	**(68,97,861)**	**(1,13,68,261)**	**(38,98,269)**
Preliminary expenses written off	-	-	-
Less: Allowed as per Income Tax Act (5th year of amortization)	35,362	35,362	35,362
Timing difference - Deferred tax (Asset)/Liability - A	**35,362**	**35,362**	**35,362**
Net timing difference (A) + (B) + (C)	**(66,70,479)**	**(1,13,32,899)**	**(37,47,953)**
Gross deferred tax asset on net timing difference	(16,78,826)	(31,52,813)	(10,42,681)
Add: Opening deferred tax asset	48,02,153	16,49,341	6,06,660
Closing deferred tax asset as on 23rd October 2020	**64,80,979**	**48,02,153**	**16,49,341**

Note 7: Income Tax Assests (net)	**Non-Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
Income Tax Refund Due	1,18,000	4,00,382	19,56,827
Total	**1,18,000**	**4,00,382**	**19,56,827**

Note 8: Current Tax Assets (Net)	**Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
Income Tax Refund Due	-	-	4,00,382
Total	**-**	**-**	**4,00,382**

Note 9: Cash and cash equivalents	**Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
(a) Balance with banks			
In current accounts (HDFC Bank) denominated in INR	2,32,59,023	2,99,35,521	10,81,429
In current accounts (HDFC Bank) denominated in EUROs	5,11,43,452	2,05,91,240	1,00,92,782
TCDC Cards		50,546	9,84,519
In deposit accounts with maturity less than 3 months		-	-
Total	**7,44,02,476**	**5,05,77,307**	**1,21,58,730**
Note 10(a): Balance in deposit accounts with maturiy greater than 3 months			
In deposit accounts (HDFC Bank) with maturity greater than 3 months	6,11,372	5,78,394	5,47,013
Total	**6,11,372**	**5,78,394**	**5,47,013**
Note 10(b): Other financial assets			
Interest accrued but not due for receipt on fixed deposits	4,267	5,576	5,587
Total	**4,267**	**5,576**	**5,587**

Note 11: Other current assets	**Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
Advance to Suppliers	4,04,546	13,50,000	13,50,000
Advance for CSR Spend	-	11,97,630	-
Staff advance	-	1,87,455	29,53,345
Prepaid expenses	57,91,526	85,30,470	25,35,477
Balance with revenue authorities	1,41,58,628	2,24,80,581	2,62,66,509
Total	**2,03,54,700**	**3,37,46,136**	**3,31,05,330**

Note 12: Equity share capital	**In Indian Rupees**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
A. Authorised share capital			
10,000 equity share of face value Rs. 10. each	1,00,000	1,00,000	1,00,000
(Previous year 2019-2020: 10,000 equity share of face value Rs. 10. each)			
B. Issued, subscribed and fully paid-up share capital			
10,000 equity share of face value Rs. 10. each	1,00,000	1,00,000	1,00,000
(Previous year 2019-2020: 10,000 equity share of face value Rs. 10. each)			
Total	**1,00,000**	**1,00,000**	**1,00,000**

Note 12(a): Reconciliation of the shares outstanding at the beginning and as at the year end

	No of shares	**In Indian Rupees**
Outstanding as at 01/04/2019	**10,000**	**1,00,000**
Issued during the year	-	-
Sold/forfieted during the year	-	-
Outstanding as at 31/03/2020	**10,000**	**1,00,000**
Issued during the year	-	-
Sold/forfieted during the year	-	-
Outstanding as at 31/03/2021	**10,000**	**1,00,000**

Note 12(b): Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share

In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company.
The distribution will be inproportion to the number of equity shares held by the shareholders.

Note 12(c): Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	No of shares	In Indian Rupees
As at 01/04/2019	**10,000**	**1,00,000**
Surya Software Systems Private Limited (Domestic holding company) face value Rs. 10. each	7,400	74,000
Less: Sold during the year	(2,300)	(23,000)
Chanel Limited, United Kingdom (Foreign company) face value Rs. 10. each	2,600	26,000
Add: Additions during the year	2,300	23,000
Less: Sold during the year	-	-
As at 31/03/2020	**10,000**	**1,00,000**
Surya Software Systems Private Limited (Domestic holding company) face value Rs. 10. each	5,100	51,000
Less: Sold during the year	(5,100)	(51,000)
Chanel Limited, United Kingdom (Foreign company) face value Rs. 10. each	4,900	49,000
Less: Sold during the year	(4,900)	(49,000)

Capgemini Technology Services India Limited (Domestic holding company) face value Rs. 10. each (Previous year 2019-2020: NIL)	9,994	99,940
Mrs Aruna Jayanthi (individual shareholder) face value Rs. 10. each	1	10
Mr Bharat Balakrishna Mehta (individual shareholder) face value Rs. 10. each	1	10
Mr Ashwin Ashok Yardi (individual shareholder) face value Rs. 10. each	1	10
Mr Uma Chandra Sekhar Bondada (individual shareholder) face value Rs. 10. each	1	10
Mr Sujit Sarcar (individual shareholder) face value Rs. 10. each	1	10
Mr Uddhav Pandit (individual shareholder) face value Rs. 10. each	1	10
As At 31st March 2021	**10,000**	**1,00,000**

Note: During the year 2020-2021 the shares of the company held by shareholders M/s Surya Software Systems Private Limited (5,100 Nos) and M/s Chanel Limited, United Kingdom (4,900 Nos) are sold to M/s Capgemini Technology Services India Limited.

Details of shareholders holding more than 5% shares in the Company	**No of shares**	**Percentage of holding**
As at 01/04/2019	**10,000**	**100.00%**
Surya Software Systems Private Limited (Domestic holding company) face value Rs. 10. each	5,100	51.00%
Chanel Limited, United Kingdom (Foreign company) face value Rs.	4,900	49.00%
As at 31/03/2020	**10,000**	**100.00%**
Capgemini Technology Services India Limited (Domestic holding company) face value Rs. 10. each (Previous year 2019-2020: NIL)	9,994	99.94%
As at 31/03/2021	**9,994**	**99.94%**

SOLCEN TECHNOLGIES PRIVATE LIMITED
Note: 13: Statement of Changes in Equity

A. Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid

Particulars	Numbers	Amount
As at 01/04/2020	10,000	1,00,000
Changes in equity share capital during the year	-	-
As at 31st March 2021	**10,000**	**1,00,000**

B. Other Equity

Particulars	Reserve and surplus			Items of other comprehensive income				Total
	General Reserve	Other Reserve (specify nature)#	Retained Earnings	Debt (or Equity) instrument through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Other Components	Gratuity Actuarial Gain / (Loss)	
As at 01st April 2019			**1,92,11,056**	**-**	**-**	**-**	**-**	**1,92,11,056**
Add: Profit for the year as per IGAAP			5,13,45,484					5,13,45,484
Less: Dividend Paid			(3,78,98,941)					(3,78,98,941)
Less: Dividend Distribution Tax paid			(20,12,406)					(20,12,406)
Add: Adjustments due to convergence to IND AS			25,51,094				(20,55,792)	4,95,302
As at 31st March 2020		**-**	**3,31,96,286**	**-**	**-**	**-**	**(20,55,792)**	**3,11,40,494**
Add: Profit for the year			10,84,37,465				(8,91,236)	10,75,46,229
As at 31st March 2021			**14,16,33,751**				**(29,47,028)**	**13,86,86,723**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S B V A & Associates
Chartered Accountants
Firm Registration Number: 011122S

Abhiram P
Partner
Membership Number: 232719

Place: Bengaluru
Date: 29th June 2021

For and on behalf of Board of Directors
Solcen Technologies Private Limited

Ashwin Yardi
Additional Director
DIN: 07799277
Place: Mumbai
Date: 29th June 2021

Hubert Giraud
Additional Director
DIN:00817709
Place: Paris
Date: 29th June 2021

Note 14: Provisions	**Current**			**Non-Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**	**As at 31st March 2021**	**As at 31st March 2020**	**As at 1st April 2019**
Salary Payable-Stale Cheques Reversal	-	-	12,186	-	-	-
Audit Fees Payable	4,53,250	-	72,000	-	-	-
Provision for Accruesd Leave Salary	17,55,029	12,57,844	1,60,001	86,58,737	68,04,577	14,17,636
Provision for Expenses	1,99,475	5,89,178	19,19,415	-	-	-
Provision for Gratuity	10,50,484	5,22,206	1,33,954	1,40,32,334	1,00,14,097	55,18,872
Total	**34,58,238**	**23,69,228**	**22,97,556**	**2,26,91,071**	**1,68,18,674**	**69,36,508**

Note 15: Financial Liabilities	**Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
Corporate Credit Card Dues	-	41,810	1,34,223
Total	**-**	**41,810**	**1,34,223**

Note 16: Trade Payables	**Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
Dues of Non-MSME Suppliers	-	33,24,213	23,88,476
Dues of MSME Suppliers	-	3,65,004	
Total	**-**	**36,89,217**	**23,88,476**

Note 17: Liabilities for current tax (net)	**Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
Provision for Income Tax	3,84,24,907	2,33,46,443	-
Advance Tax	(3,83,00,000)	(2,19,00,000)	-
TDS Receivable	(4,662)	(9,083)	-
Total	**1,20,245**	**14,37,360**	-

Note 18: Other current liabilities	**Current**		
	As at 31st March 2021	**As at 31st March 2020**	**As at 1st April 2019**
Advance from Customer	-	3,88,46,167	2,48,51,393
Dividend Payable	-	2,84,86,434	2,38,67,971
Dividend Distribution Tax Payable	-	-	48,58,957
Employee's Reimbursements	-	26,637	2,28,107
Statutory Dues Payable	78,41,086	65,33,417	19,17,242
Total	**78,41,086**	**7,38,92,655**	**5,57,23,670**

Notes forming part of Statement of profit and loss

Disaggregated revenue based on nature of services

Note 19: Revenue from operations	**For the year ended March 31st, 2021**	**For the year ended March 31st, 2020**
Sale of Services (Software Development Services)	47,97,26,898	38,63,26,440
TOTAL	**47,97,26,898**	**38,63,26,440**

Note 20: Other Income	**For the year ended March 31st, 2021**	**For the year ended March 31st, 2020**
Fair Value Gain on Mutual Fund Investments	5,92,690	11,71,276
Net Gain on Foreign Exchange Transactions	1,12,26,650	79,43,917
Income From Mutual Fund	4,601	5,383
Interest on Bank Deposits	60,199	90,826
Interest on Security Deposit	9,57,222	8,36,646
Interest on Income Tax Refund	-	1,56,344
Loss on Redemption of MF	-	-
Other Incomes	4,28,247	11,82,290
Profit on Redemption of MF	10,443	-
Profit on Sale of Asset	-	-
Travel-Perdiem Income	-	6,52,922
TOTAL	**1,32,80,052**	**1,20,39,603**

Note 21: Employee benefit expense	**For the year ended March 31st, 2021**	**For the year ended March 31st, 2020**
Employer Contribution to ESI	7,213	1,96,793
Employer Contribution to PF	85,18,023	76,28,203
Employer Contribution to Welfare Fund	8,440	8,920
Gratuity Provisions	38,96,618	30,67,221
Leave Encashment - Provision PL	48,23,441	64,84,785
Salaries - Direct	22,90,80,840	19,22,10,094
Staff Welfare Expenses	73,62,933	35,83,355
Notice Period Recovery	(46,232)	
Other Recovery- Employee	(200)	
TOTAL	**25,36,51,076**	**21,31,79,371**

Note 22: Depreciation and amortisation expense	**For the year ended March 31st, 2021**	**For the year ended March 31st, 2020**
Depreciation on property, plant and equipment	9,09,607	-
Depreciation expense on right-of-use (ROU) assets	1,58,66,724	1,49,86,659
TOTAL	**1,67,76,332**	**1,49,86,659**

Note 23: Finance costs	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Amortization of Prepaid Expenses	9,95,217	9,26,174
Interest on Lease Liability	32,19,239	43,71,256
TOTAL	**42,14,456**	**52,97,429**

Note 24: Other expenses	For the year ended March 31st, 2021	For the year ended March 31st, 2020
Audit fees	5,80,000	1,00,000
CSR Expenditure	10,07,330	9,14,851
Insurance expenses	1,53,764	2,01,845
IT Infrastructure expenses	1,32,10,397	1,46,67,020
Miscellaneous expenses	4,08,863	6,14,191
Office expenses	12,45,299	33,46,981
Office security expenses	-	16,17,120
Professional, consulting and legal fees	4,25,76,789	5,63,08,869
Rates and taxes	5,72,292	1,08,539
Repairs and maintenance:		
Building	52,80,276	39,87,349
Others	7,39,431	30,24,678
Research & Development	-	-
Telephone and communication expenses	2,41,835	4,15,306
Training and recruitment expenses	44,72,284	55,03,184
TOTAL	**7,04,88,560**	**9,08,09,933**

Other notes forming part of financial statements

Note No 25: Financial assets

Investment in units of Mutual Funds

Particulars	Cost as at the beginning	Market value as at the beginning	Investments/(dividend reinvested	Redemptions	Cost as at the end of the period	Market value as at the end of the period	Accretion in value of investments
As at 01/04/2019	**1,28,21,711**	**1,30,03,202**	**3,85,46,337**	**4,55,07,935**	**58,60,112**	**63,99,820**	**-**
HDFC Medium Term Opportunities Fund - Regular Plan - Growth	56,80,598	62,14,929	-		56,80,598	68,43,096	11,62,498
DSP Blackrock Liquidity Fund	1,79,514	1,84,891	5,383		1,84,896	1,93,674	8,778
As at 31/03/2020	**58,60,112**	**63,99,820**	**5,383**	**-**	**58,65,494**	**70,36,770**	**11,71,276**
HDFC Medium Term Opportunities Fund - Regular Plan - Growth	56,80,598	68,43,096			56,80,598	74,44,564	5,92,690
DSP Blackrock Liquidity Fund	1,84,896	1,93,674	4,454	1,89,350	-	-	
As at 31/03/2021	**58,65,494**	**70,36,770**	**4,454**	**1,89,350**	**56,80,598**	**74,44,564**	**5,92,690**

Note No 26: Employee benefit obligation

Gratuity

The company has defined benefit gratuity and leave encashment plan. The following table summarizes component of net benefit expenses recognized in the statement of profit and loss and balance sheet.

	As at March 31, 2021	**As at March 31, 2020**
Present Value of Defined Benefits Obligation (Opening)	1,05,36,302	56,52,826
Interest Cost	7,31,177	3,79,014
Current Service Cost	31,65,441	26,88,207
Benefit payments from employer	(2,41,337)	(2,39,537)
Actuarial (Gains)/Loss	8,91,235	20,55,792
Present Value of Defined Benefits Obligation (Closing)	**1,50,82,818**	**1,05,36,302**
Expenses to be recognized in statement of profit and loss		
Interest Cost	7,31,177	3,79,014
Current Service Cost	31,65,441	26,88,207
Expenses to be recognized in statement of profit and loss	**38,96,618**	**30,67,221**
Re-measurement (gains) / losses in OCI		
Actuarial (gain) / loss due to financial assumption changes	17,53,123	32,00,779
Actuarial (gain) / loss due to experience adjustments	(8,61,888)	10,72,416
Actuarial (gain) / loss due to change in demographic assumptions		(22,17,403)
Return on plan assets (greater)/less than discount rate		-
Total (gains) / losses routed through OCI	**8,91,235**	**20,55,792**
Classification		
Current	10,50,484	5,22,206
Non-current	1,40,32,334	1,00,14,097

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

Discount Rate	7.02%	7.02%
Salary Escalation	14.00%	14.00%
Employee Attrition Rate	20.00%	20.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

	Sensitivity Level	**Increase**	**Decrease**
Discount rate	1% increase/de	-9.38%	11.15%
Salary Escalation	1% increase/de	6.72%	-6.45%
Employee Attrition Rate	1% increase/de	-3.76%	4.29%
Mortality rate	10% increase	-0.07%	

Leave Encashment	**As at March 31, 2021**	**As at March 31, 2020**
Present Value of Defined Benefits Obligation at Beginning (Opening)	80,62,421	15,77,636
Interest Cost	4,79,211	88,089
Current Service Cost	45,78,644	45,39,972
Actuarial (Gain)/Loss	(2,34,414)	27,06,009
Benefit payments from employer	(24,72,096)	(8,49,285)
Present Value Of Defined Benefits Obligation at the end (Closing)	**1,04,13,766**	**80,62,421**
Expenses to be recognized in statement of profit and loss		
Interest Cost	4,79,211	88,089
Actuarial (Gain)/Loss	(2,34,414)	27,06,009
Current Service Cost	45,78,644	45,39,972
Expenses to be recognized in statement of profit and loss	**48,23,441**	**73,34,070**
Classification		
Current	17,55,029	12,57,844
Non-current	86,58,737	68,04,577

Note No 27: Related Party disclosures

Holding Company	Capgemini Technology Services India Limited
Fellow subsidiary	Capgemini Technology Service, France
Mrs Aruna Jayanthi	Individual shareholder
Mr Bharat Balakrishna Mehta	Individual shareholder
Mr Ashwin Ashok Yardi	Individual shareholder
Mr Uma Chandra Sekhar Bondada	Individual shareholder
Mr Sujit Sarcar	Individual shareholder
Mr Uddhav Pandit	Individual shareholder
Surya Software Systems Private Limited	Erstwhile Holding Company
Chanel Limited - United Kingdom	Erstwhile Associate
Srinivasa Rao B V	Erstwhile Managing Director
Chanel SAS - France	Erstwhile Subsidiary of associate
D N Prahlad	Erstwhile Director and Vice Chairman
Jyothi B S	Erstwhile Director

Transaction with related party	**As at March 31, 2021**	**As at March 31, 2020**	**As at April 01, 2019**
A. Capgemini Technology Services India Limited - Holding Company			
(a) Share holding	9,994 Shares of Rs. 10 each amounting to Rs. 99,940		
B. Capgemini Technology Service, France - Fellow subsidiary			
(a) Software development services rendered	17,26,46,837	-	-
(b) Trade receivables as on 31/03/2021	4,62,50,126	-	-
C. Surya Software Systems Private Limited			
(a) Share holding (in Rupees) face value Rs. 10 each			
Opening balance	51,000	74,000	74,000
Add: shares purchased during the year	-	-	-
Less: Sold during the year	51,000	23,000	-
Closing balance	**-**	**51,000**	**74,000**

(b) Services received and payables			
Opening balance	2,88,468	2,46,858	1,80,000
Software development services received	34,41,700	48,10,927	35,40,416
Payment made for services received	37,30,168	47,69,317	34,73,558
Note: The disclosure for FY 2020-21 is upto 23/10/2020 only. During the period from 24/10/2020 to 31/03/2021, the company has received services amounting to Rs. 19,72,504 and had paid in full to the erstwhile shareholder			
Closing balance of payables	**-**	**2,88,468**	**2,46,858**
(c) Dividend payments			
Dividend paid out of accumulated profits	-	1,76,62,299	1,14,05,270
Interim dividend paid	-	69,65,255	-
Total	**-**	**2,46,27,554**	**1,14,05,270**
D. Chanel Limited - United Kingdom			
(a) Share holding (in Rupees) face value Rs. 10 each			
Opening balance	49,000	26,000	26,000
Add: shares purchased during the year	-	23,000	-
Less: Sold during the year	49,000	-	-
Closing balance	**-**	**49,000**	**26,000**
(b) Dividend payments			
Dividend paid out of accumulated profits	-	62,05,673	40,07,257
Interim dividend paid	-	24,47,252	-
Total	**-**	**86,52,924**	**40,07,257**

(b) Advance received and other payables			
Opening balance	(3,88,46,167)	(2,48,51,393)	(92,59,980)
Add: Advance received from customer	(32,80,43,954)	(57,97,46,113)	(37,33,48,700)
Less: Advance adjsuted	36,68,90,121	56,57,51,339	35,77,57,287
Closing balance	**-**	**(3,88,46,167)**	**(2,48,51,393)**
F. Mr Srinivasa Rao B V - Erstwhile Managing Director			
(a) Remuneration			
Remuneration (Gross)	24,19,984	48,13,051	35,28,577
Perquisites (Gross)	-	-	1,63,619
Total	**24,19,984**	**48,13,051**	**36,92,196**

Note No 28: Segment reporting	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
A. Business Segment			
The company has only one business segment i.e. software development service.			
B. Geographical Segment			
The company renders services only to its overseas customer Capgemini Technology Service, France.			
The company has only one geographical segment.			
Segment Revenues			
Services rendered from India to France	17,26,46,837	38,63,26,440	27,22,24,557

Note No 29 : Income Tax	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
(a) The major components of income tax expense for the period from 01st April 2020 to March 31, 2021:			
(i) Profit or loss section			
Current tax	3,84,40,639	2,33,48,889	1,61,21,579
Deferred tax (note 6)	(16,78,826)	(31,52,813)	(10,42,681)
Total	**3,67,61,813**	**2,01,96,076**	**1,50,78,898**
(ii) OCI section			
Deferred tax related to items recognised in OCI during the year			
Actuarial gain/ (loss) on defined benefit plan	(8,91,236)	(20,55,792)	-
Total	**(8,91,236)**	**(20,55,792)**	**-**

The Company offsets tax assets and 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 tax authority.

30. First Time Adoption of IND AS

These financial statements, for the year ended March 31, 2021, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with generally accepted accounting principle in India (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2021, together with the comparative period data as at and for the year ended March 31, 2020 and April 1, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at April 1, 2019, i.e. the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP (Previous GAAP) financial statements, including the statement of financial position as at April 1, 2019 and the financial statements as at and for the year ended March 31, 2020.

Exemptions applied

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) An entity's estimates in accordance with Ind AS at the date of transaction to Ind AS shall be consistent with estimates made as of the same date in accordance with Previous GAAP, unless there is objective evidence that those estimates were in error.

(b) The Company has elected to avail exemption under Ind AS 101 to use Previous GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment as per the statement of financial position prepared in accordance with Previous GAAP.

Reconciliation of equity as on April 1, 2019 (date of transition to Ind AS)		
	As at March 31, 2020	**As at April 01, 2019**
Equity under Previous GAAP as on April 01, 2018		88,91,757
Add: Profit (before taxes) as per IGAAP for the year 2018-19		5,41,25,126
Opening Equity under IND AS	1,92,11,056	
Add: Profit (before taxes) and IND AS adjustments	7,15,41,560	
Add/(Less) - IND AS adjsutments		
Less: Depreciation on right to use assets	1,49,86,659	
Less: Interest on lease liability	43,71,256	
Less: Amortization of prepaid security deposit	9,26,174	
Add back: Actual lease rent expenses accounted	1,87,71,468	
Add: Interest on security deposit	8,36,646	
Add: Fair value gain on mutual fund investment	11,71,276	
Add: Gratuity expenses classified to OCI as per IND AS	20,55,792	
Less: IND AS convergance adjustments		
(a) Reduction in profit on sale of asset (Refer Note: Depreciation FY 2018-19)	-	31,898
(b) Difference in depreciation as per Companies Act (Refer Note: Depreciation FY 2018-19)	-	83,691
Profit before tax as per IND AS	7,40,92,654	5,40,09,537
Less: Tax expenses	2,01,96,076	1,50,78,898
Profit after tax as per IND AS	5,38,96,577	3,89,30,639
Less: Dividend paid including tax	3,99,11,347	2,87,26,928
Add: IND convergance items tranfer to retained earnings	-	1,15,589
Less: OCI changes in Acturial valuation	20,55,792	-
Other equity as per IND AS as at the end of the year	**3,11,40,493**	**1,92,11,056**

(i) Fair valuation of security deposit
This pertains to discounting of refundable security deposits as per the requirement of Ind AS 109.

(ii) Accounting for leases under Ind AS 116

The Company has availed the exemption available in Ind AS 101 and accordingly created Right of Use (ROU) asset to the extent of the lease liabilities outstanding on the date of adoption. Accordingly, the Company has created Right of Use (ROU) asset and lease liability amounting to Rs . 2,64,78,603 as at April 01, 2019. Further, the Company has also accounted amortisation of ROU asset and finance cost on lease liability amounting to Rs 1,49,86,659 and Rs 43,71,256 respectively and reversal of rent expenses amounting to Rs 1,87,71,468 for the year ended March 31, 2020. Refer Note 4 for details of period ending March 31, 2021

(iii) Defined benefit liabilities

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Under Previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Consequently, impact along with tax effect of the same has been recognised in other comprehensive income under Ind AS.

Note No 31 : Contingent liabilities

The Company does not have any contingent liabilities as at year-end.

Note No 32 : Corporate Social Responsibility

(a) Amount spent by the Company during the year

Particulars	Amount required to be spent for FY 2020-21	Amount spent during FY 2020-21	Amount remaining unspent/(excess) spent during the year 2020-21	
(i) Mother and Child Health Project' in Chickballapur District and/or Tumkur District	-	-	-	
(ii) Sponsorship of travel of women scholars of Indian Institute of Science to conferences	5,04,070	5,04,070	-	
(iii) Education of poor children through Action et Aide,	5,03,260	6,93,560	(1,90,300)	
Total	**10,07,330**	**11,97,630**	**(1,90,300)**	

Note No 33 : Remuneration to Auditors

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
a) Statutory audit fees	1,25,000	75,000
b) Tax audit fees	40,000	25,000
c) Other professional services	4,15,000	-
Total	**5,80,000**	**1,00,000**

Note No 34 : Earnings in foreign currency

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
a) Revenue from operations	47,97,26,898	38,63,26,440
b) Travel perdium income	-	6,52,922
Total	**47,97,26,898**	**38,69,79,362**

Note No 35 : Expenses in foreign currency (net of reimbursements)

Particulars	For the year ended March 31st, 2021	For the year ended March 31st, 2020
a) Sofware license renewal, technical consultancy, subsciption charges and recruitment fees	64,38,749	19,03,274
b) Travel perdium income	-	
Total	**64,38,749**	**19,03,274**

Note No 36 : Readiness to COVID

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on the financial statements of the Company.

Note No 37 : Transfer Pricing

The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India.

Note No 38 : Previous year comparitives

The comparatives given in the financial statements have been compiled after making necessary Ind AS adjustments to the respective audited financial statements under Previous GAAP to give a true and fair view in accordance with Ind AS.

For S B V A & Associates Chartered Accountants Firm Registration Number: 011122S	For and on behalf of Board of Directors of Solcen Technologies Private Limited Ashwin Yardi	 Hubert Giraud
Abhiram P Partner Membership Number: 232719	Additional Director DIN: 07799277	Additional Director DIN:00817709
Place: Bengaluru Date: 29th June 2021	Place: Mumbai Date: 29th June 2021	Place: Paris Date: 29th June 2021