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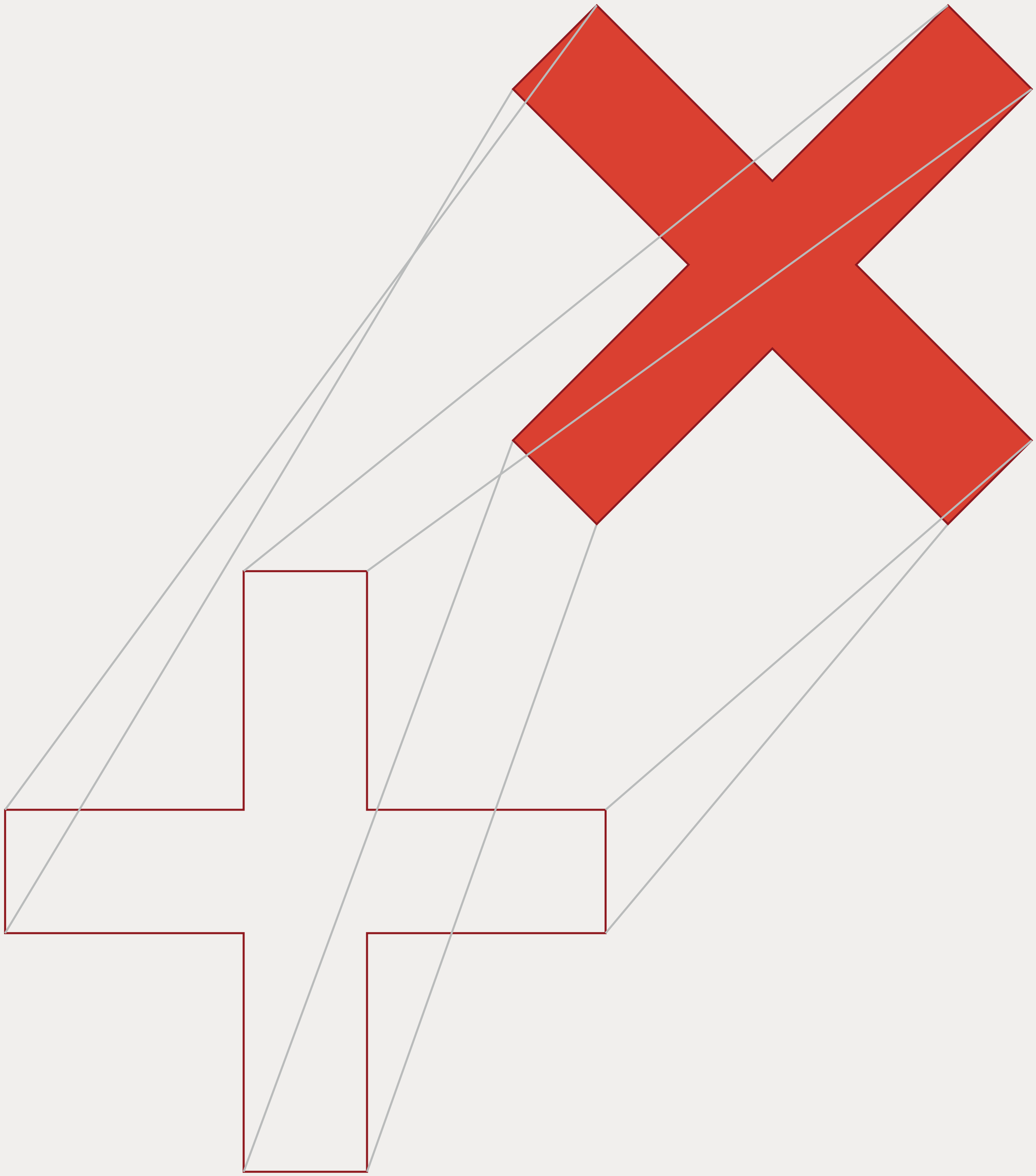
2020-21

VOLUME - I-II & III



Tech Mahindra

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INDEX

VOLUME - I

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TECH MAHINDRA (AMERICAS), INC.

Board of Directors
Mr. Manish Vyas
Mr. Lakshmanan Chidambaram
Mr. T N Manoharan
Mr. Arvind Malhotra (Resigned effective 9th December, 2020)
Mr. Guru Prasad R Iyengar

Business Office
5700, Democracy Drive
Suite # 2000, Plano
TX 75024 USA

Bankers
HSBC Bank
JPMorgan Chase Bank
Citi Bank
DBS

Auditors
Catrakilis Kraitzick Hrabova, CPAs and Advisors, LLC

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Corporation for the year ended March 31, 2021.

Financial Results:

For the year ended March 31	2021 USD	2021 INR	2020 USD	2020 INR
Income	**992,012,421**	**72,526,028,385**	1,100,243,365	83,200,403,261
Profit/(Loss) before tax	**83,608,349**	**6,112,606,419**	67,229,708	5,083,910,519
Profit/(Loss)after tax	**63,278,329**	**4,626,278,651**	54,278,222	4,104,519,148

Review of operations:

During the fiscal year under review, the Corporation achieved an income of US$ 992.01 Million (equivalent to INR 7,252 Crores). The Corporation continues to invest in strengthening its business in the USA which is the largest IT market in the World. The increase in business and the focus on right sizing the USA operations while preparing for the next level of growth has helped the Corporation to earn healthy level of profits in the last few years.

Acquisitions / Mergers / Incorporations / Investments:

During year, Corporation has acquired 100% stake in Zen3 Infosolutions (America) Inc. for the total purchase consideration of USD 64 Million with an upfront consideration of USD 35 Million. The balance amount shall be paid as a deferred consideration in terms of Share Purchase Agreement and Amendments there too.

Incorporated a wholly owned subsidiary under the laws of State of Delaware, United States of America in the name of "Tech Mahindra Credit Solutions, Inc" on August 17, 2020.

On October 21, 2020, the Corporation acquired a 6% stake in Vitaltech Holdings ("Vitaltech") to the value of $3 million.

Changes in Director:

During the year under review, Mr. Arvind Malhotra resigned as Director of the Corporation. The Board placed on record its appreciation for the assistance and guidance provided by Mr Arvind Malhotra during his tenure as Director of the Corporation. Mr. Manish Vyas, Mr. Lakshmanan Chidambaram, Mr. T N Manoharan, Mr. Guru Prasad R Iyengar are the other members of the Board of Directors.

Outlook for the current year:

The Corporation believes that the investments made over the last few years in cultivating long term relationships with existing & prospective customers will result in further increase in business.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Corporation. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

Manish Vyas
Director

Place: Texas
Date: May 29, 2021

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tech Mahindra (Americas), Inc. a New Jersey Corporation,
a wholly owned subsidiary of Tech Mahindra Limited, an India Corporation
Plano, Texas

Opinion

We have audited the accompanying financial statements of Tech Mahindra (Americas), Inc., (a New Jersey Corporation), which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of operations and comprehensive income, cash flows and changes in stockholders' equity, for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra (Americas), Inc. as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("US GAAP"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tech Mahindra (Americas), Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The group's accounting policies require the Corporation to consolidate its subsidiaries with controlling interest. For the purposes of these US GAAP Financial Statements, the Balance Sheet and Statement of Operations and Comprehensive Income of its subsidiaries, Lightbridge Communications Corporation, Tech Talenta, Inc., Objectwise Consulting Group, Zen3 Infosolutions (America) Inc. Tech Mahindra Healthcare Systems Holdings, LLC and Mad*Pow Media Solutions, have not been consolidated. The non-consolidation of the above-mentioned controlling interest subsidiaries is not in accordance with the group's accounting policies. The effects of this departure from the group's accounting policies on the Balance Sheet and Statement of Profit and Loss, have not been determined.

The accounting treatment for the Corporation's investment in the CJS Solutions Group through Tech Mahindra Healthcare Systems Holdings LLC and its investment in Zen3 Infosolutions (America) Inc. was provided by group management and therefore out of scope for the purpose of this report. The potential effect of this departure from accounting standards on the Balance Sheet and Statement of Operations and Comprehensive Income, have not been determined.

Other matters

As discussed in various notes to the financial statements, the Corporation has had numerous transactions with the parent and affiliated companies.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on page 26 to 27 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra (Americas), Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tech Mahindra (Americas), Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra (Americas), Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CKH CPA's and Advisors, LLC
Atlanta, Georgia
May 7, 2021

BALANCE SHEETS AS OF MARCH 31,

(All amounts are in USD)	Notes	2021	2020
Current assets			
Cash and cash equivalents	3	6,671,655	67,586,269
Accounts receivable, net	4	5,349,112	8,085,250
Employee advances		59,098	941,297
Due from parent company	23	111,497,948	80,948,922
Due from affiliated companies	5	1,307,128	6,494,626
Prepaid expenses and other current assets		17,267,036	10,378,780
Income tax receivable		8,360,203	7,026,736
Notes receivable from affiliated companies	5	7,000,000	3,000,000
Equity securities	11	10,000,000	-
Total current assets		**167,512,180**	**184,461,880**
Non - current assets			
Goodwill, net		65,596	65,596
Property and equipment, net	7	13,052,380	14,107,219
Intangible assets, net	8	8,637,100	11,149,217
Operating lease right-of-use assets	19	9,556,097	11,104,937
Investment in subsidiaries	9	345,253,494	286,580,906
Equity securities	11	3,000,001	25,000,000
Deferred tax asset	6	29,247,564	27,607,664
Security deposits		456,481	495,161
Other assets	12	123,399,773	153,125,298
Total non - current assets		**532,668,486**	**529,235,998**
Total assets		**700,180,666**	**713,697,878**
Current liabilities			
Accounts payable		11,670,311	29,367,922
Accrued expenses and other current financial liabilities	16	139,665,861	136,545,162
Deferred revenue		427,200	-
Due to parent company	23	27,669,486	30,538,169
Due to affiliated companies	15	5,308,900	35,905,656
Note payable to affiliated company	14	5,000,000	37,500,000
Short-term debt	13	132,000,000	106,750,000
Operating lease liabilities - short-term	19	4,256,480	4,218,394
Total current liabilities		**325,998,238**	**380,825,303**
Non - current liabilities			
Operating lease liabilities - long-term	19	5,695,523	7,488,766
Other non – current financial liabilities	16	89,418,390	109,968,789
Total non - current liabilities		**95,113,913**	**117,457,555**
Total liabilities		**421,112,151**	**498,282,858**
Stockholder’s equity			
Equity attributable to stockholder of the Corporation		279,068,515	215,415,020
Total liabilities and stockholder's equity		**700,180,666**	**713,697,878**
Commitments and contingencies (Note 20)			

The accompanying notes are an integral part of these financial statements.

TECH MAHINDRA (AMERICAS), INC.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2021 AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in USD)	Notes/ Schedules	2021	2020
Revenues	**I**	**992,012,421**	**1,100,243,365**
Operating expenses:			
- Personnel	II	(581,813,739)	(601,554,167)
- Subcontracting expenses	III	(221,010,117)	(304,904,563)
- Software, hardware and project specific expenses		(77,163,276)	(34,036,624)
- General and administrative and other expenses	IV	(39,798,368)	(71,251,731)
- Movement in doubtful provision		65,621	922,844
- Allowance for accounts receivables due from affiliated companies		4,669,999	(4,456,395)
- Amortization	8	(2,512,117)	(2,512,117)
- Depreciation	7	(10,801,326)	(13,223,340)
Total operating expenses		**(928,363,323)**	**(1,031,016,093)**
Operating income		**63,649,098**	**69,227,272**
Non-operating income/(expenses):			
Other income		698,198	272,893
Impairment of notes issued to affiliated companies	5	(4,078,808)	(15,684,699)
Interest income		1,055,803	1,047,002
Interest expenses		(2,067,440)	(2,430,517)
Finance costs		(1,490,072)	(595,219)
Change in fair value of contingent consideration		(4,158,429)	6,093,282
Dilution gain from equity method investment	1(a)	-	10,441,958
Equity in income of equity method investees	1(a)	29,999,999	(1,142,264)
Income before income tax expense		**83,608,349**	**67,229,708**
Income tax expense	6	(20,330,020)	(12,951,486)
Net income		**63,278,329**	**54,278,222**
Other comprehensive loss:			
- Profit (loss) on hedge activity		**375,166**	**(1,611,969)**
Comprehensive income		**63,653,495**	**52,666,253**

All revenue and profit for the year are generated from continuing operations

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN STOCKHOLDERS; EQUITY FOR THE YEAR ENDED MARCH 31, 2021 AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in USD)	**2021**	**2020**
Cash flows from operating activities		
Net income	63,278,329	54,278,222
Adjustments to reconcile net income to net cash provided by operating activities:		
- Amortization	2,512,117	2,512,117
- Depreciation	10,801,326	13,223,340
- Deferred income tax expense	(1,639,900)	(1,832,637)
- Provision for losses on accounts receivables	(65,621)	(922,844)
- Provision for losses on accounts receivables due from affiliated company	(4,669,999)	4,456,395
- Impairment of notes issued to affiliated companies	4,078,808	15,684,699
- Equity in losses of equity method investee	(29,999,999)	1,142,264
- Change in fair value of contingent consideration	4,158,429	(6,093,282)
- Dilution gain from equity method investment	-	(10,441,958)
- Finance cost	1,490,072	595,221
- Deferred contract costs - amortization of other asset	29,725,525	12,533,594
- Gain in non-cash settlement with customer on revenue contract	-	(8,756,787)
- Amortization of deferred employees costs	1,361,445	2,083,333
- Lease expense	4,549,751	4,599,340
(Increase) decrease in operating assets:		
- Accounts receivable, net	2,801,759	31,760,919
- Employee advances	882,199	569,575
- Due from parent company	(30,549,026)	75,847,971
- Due from affiliated companies	9,857,497	(3,545,638)
- Prepaid expenses and other current assets	(8,139,602)	(3,910,429)
- Income tax receivable	(1,333,467)	1,513,919
- Security deposits and other assets	38,680	15,649
Increase (decrease) in operating liabilities:		
- Accounts payable	(17,697,611)	19,047,732
- Accrued expenses and other current liabilities	(1,025,007)	(21,960,203)
- Unearned revenue	427,200	(103,716)
- Due to parent company	(2,868,683)	(61,371,468)
- Due to affiliated companies	(30,596,756)	(510,238)
- Operating lease payments	(4,756,068)	(3,997,117)
- Other non – current financial liabilities	(21,665,305)	3,867,180
Net cash provided by operating activities	**(19,043,907)**	**120,285,153**

TECH MAHINDRA (AMERICAS), INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS; EQUITY FOR THE YEAR ENDED MARCH 31, 2021 AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in USD)	**2021**	**2020**
Cash flows from investing activities		
Capital expenditures	(9,759,210)	(10,906,601)
Investment in subsidiaries, associates and financial asset	(16,672,590)	(23,203,504)
Payments received on notes receivable from affiliated companies	(8,188,907)	4,356,093
Net cash used in investing activities	(34,620,707)	(29,754,012)
Cash flows from financing activities		
Net borrowings under line-of-credit agreements	25,250,000	31,750,000
(Repayment)/Proceeds from note payable to affiliated company	(32,500,000)	37,500,000
Dividends paid	-	(95,900,019)
Net cash used in financing activities	**(7,250,000)**	**(26,650,019)**
(Decrease) increase in cash and cash equivalents	(60,914,614)	63,881,122
Cash and cash equivalents at beginning of year	67,586,269	3,705,147
Cash and cash equivalents at the end of the year	**6,671,655**	**67,586,269**
Supplemental disclosure of cash flow information:		
Cash paid for interest	(344,891)	(1,773,458)
Cash paid for income taxes	(23,303,435)	(17,594,307)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE YEAR ENDED MARCH 31, 2021 AND FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in USD)	Notes	Common Stock	Additional Paid in Capital	Accumulated Other Comprehensive Income / (Loss)	Accumulated Retained Earnings	Total Stockholder's Equity
Balance at April 1, 2019		**170,521,745**	**(4,050,493)**	**(19,366)**	**132,714,277**	**299,166,163**
Net income		-	-	-	54,278,222	54,278,222
Other comprehensive loss		-	-	(1,611,969)	-	(1,611,969)
Dividends on common stock		-	-	-	(136,417,396)	(136,417,396)
Balance at March 31, 2020		**170,521,745**	**(4,050,493)**	**(1,631,335)**	**50,575,103**	**215,415,020**
Net income		-	-	-	63,278,329	63,278,329
Other comprehensive income		-	-	375,166	-	375,166
Balance at March 31, 2021		**170,521,745**	**(4,050,493)**	**(1,256,169)**	**113,853,432**	**279,068,515**

The accompanying notes are an integral part of these financial statements.

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

as of and for the year ended March 31, 2021 and March 31, 2020

(All amounts are in USD)

1 Summary of significant accounting policies

(a) Nature of operations

Tech Mahindra (Americas) Inc. ("TMA" or "the Corporation"), is a wholly owned subsidiary of Tech Mahindra Limited ("TML"), which is incorporated in the Republic of India. TMA was incorporated in the State of New Jersey on November 29, 1993, and provides computer consulting and programming support services.

On March 6, 2012, TMA formed Tech Talenta, Inc. (TechT). TechT is a Texas corporation, which is 100% owned (500 shares of $1.00 par value) by TMA and is accounted for on the cost method. The cost of investment was reported at $500,000 at March 31, 2021 and 2020. The subsidiary's stockholder's equity at March 31, 2021 and 2020 was $4.8 million and $4.7 million, respectively. TechT is engaged in the business of recruitment, fulfillment and ongoing management of local temporary contractor resources in the areas of IT Development, Product Engineering, IT System Support and Operations for clients across North America. On May 7, 2014, TechT registered a branch in Canada and on February 9, 2016 a branch was registered in the United Kingdom. The Canadian branch and United Kingdom branches had insignificant activity since inception. The Canadian branch was dissolved, effective March 20, 2018. The branch in the United Kingdom was closed on December 31, 2019.

The Corporation acquired a 100% investment in Lightbridge Communications Corporation (LCC), a Delaware Corporation on February 6, 2015, which is accounted for on the cost method. The purchase price was $170 million. During the period ended March 31, 2017 and 2016, the Corporation received a refund of $3.2 million and $6.2 million, respectively, from the investment escrow account. During the period ended March 31, 2019, the Corporation received a refund of $1.5 million, from the investment escrow account. The balance of the investment was reported at $159 million and $159 million at March 31,2021 and 2020, respectively. LCC provides integrated end-to-end solutions for wireless voice and data communications networks with offerings ranging from high level technical consulting to system design and optimization services, ongoing operations and maintenance services, and deployment services.

On March 3, 2015, TMA purchased 600,000 shares of Series A preferred stock of $0.001 par value per share of Avion Networks, Inc. ("Avion"), a Delaware corporation. Avion is in the business of providing engineering and technology services to customers in the telecommunication industry. TMA owns 30% of Avion and accounts for this investment under the equity method. The carrying value of investment was $ nil for both March 31, 2020 and 2019 after management carried out an impairment test which resulted in the impairment of the carrying value in Avion amounting to $3 million. Consequently, the Corporation recognized $ nil and $ nil of after-tax income from Avion during both years ended March 31, 2021 and 2020.

On May 4, 2017 the Corporation acquired CJS through Tech Mahindra Healthcare Systems Holding LLC., a Delaware Limited Liability Company. An amount of $84.7 million was paid upfront in cash, for the acquisition of 84.74% membership units in CJS. An additional amount of $4.7 million was paid to the minority shareholder as goodwill. Total amount paid including the goodwill was $89.5 million out of which $7.5 million was considered as a prepaid compensation to the minority shareholder. TMA also had a put option at fair value of $6.9 million resulting in a net investment of $88.9 million at acquisition date. On October 13, 2017 the Board of Directors of TMA approved to extend a corporate guarantee, for the working capital facility of CJS. On March 1, 2019, TMA signed an amended agreement with an effective date of December 31, 2018, resulting in a change in vesting and exercise date starting from April 30, 2019. The amended agreement presented the call option to purchase the remaining 15.26% of shares from the minority shareholder over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. The minority shareholder had a put option on the remaining 15.26% of shares over a period of 3 years – December 2019, 2020 and 2021 at values which will be derived based on EBITDA and revenue achievement. As at March 31, 2019 the first option was exercised, resulting in a change in holding of 4.07%, TMA's shareholding subsequent to exercising its first option was 88.81%. As at March 31, 2020 the second option with a fair value of $7.4 million was exercised, resulting in a change in holding of 4.07%.TMA's shareholding as a result of exercising option two is 92.88%. As at March 31, 2020, $4.7 million was paid as part payment for the second option. As at March 31, 2021 the third and final option with a fair value of $7.1 million was exercised, increasing the holding by 7.12% bringing the holding to 100%.

On January 18, 2018, TMA invested $15 million in Altiostar Networks Inc's ("Altiostar") series C1 Preferred shares entitling 23.5% of the fully diluted stake in the Altiostar. As per the share purchase agreement, TMA is entitled, subject to certain terms and conditions, to purchase from Altiostar, 7.9 million shares of Common stock, at a purchase price of $0.05 per share.

Prior to June 2019, the Corporation owned 23.5% of fully diluted stake amounting to $15 million in Altiostar Networks Inc.'s ("Altiostar"). TMA accounted for the investment on the equity basis due to its significant influence and recognized $9.3 million losses from Altiostar during the year ended March 31, 2019.

During June 2019, Altiostar issued additional shares to another investor, resulting into dilution of the investment held of TMA from 23.5% to 9.5% and accordingly it was determined that significant influence over this investee was lost. During the year ended March 31, 2020, prior to this dilution, TMA recorded additional loss from equity in losses of Altiostar of $1.1 million. TMA elected to measure the retained equity interest at fair value under Topic 321 and adjusted the carrying amount of the investment in Altiostar to fair value. Accordingly, the investment in Altiostar was transferred from equity method investments to equity securities. TMA recognized the difference between the carrying value of investment in Altiostar and fair value when it was determined that significant influence was lost and recognized the difference between fair value and carrying amount and accordingly a dilution gain of $10.4 million was recognized in the statement of operations.

During September 2020, the Corporation sold it's stake in Altiostar for $45 million.

On May 19, 2019 the Board of Directors approved the transfer of the entire issued and outstanding capital of Mahindra Technologies Services Inc. ("MTSI"). The separate existence of MTSI ceased on July 1, 2019, which management considered as the effective date of the merger.

On July 31, 2019, TMA acquired 65% membership interests of Mad*Pow Media Solutions, LLC. ("Mad*Pow"), at a cost of $16.7 million. TMA is bound to obtain the remaining interest over a period of three years subsequent to the initial acquisition date. The fair value of the embedded forward contract at the date of purchase was determined to be $11.6 million which represents the mandatorily obligation of TMA to acquire the remaining shareholding. During November 2020, the Corporation acquired an additional 11.66%, increasing the holding to 76.7%

In October 2019 TMA's newly formed Canadian subsidiary, Tech Mahindra Canada, Inc. acquired 100% interest in Objectwise Consulting Group Inc.("Objectwise"). Subsequent to the acquisition Tech Mahindra Canada, Inc. amalgamated with Objectwise as the surviving entity.

On April 8, 2020 an amended purchase agreement was executed between the Corporation and the sellers of Zen3 Infosolutions America Inc. (incl. subsidiaries)("Zen 3"). The board of directors approved a total purchase consideration of $64 million. This agreement stipulated that ZenIndia shares would be acquired by Tech Mahindra Limited and a minority holder (holding 1 ZenIndia share). The transaction costs linked to the purchase agreement represents a prepayment towards contingent liabilities resulting from the acquisition. A total of $34.6 million has been paid to the seller. An additional amount of $4 million will be paid out equally over the next 2 years (at the end of each fiscal year). The remaining balance will be available as an earn-out payment potential and is currently totaling and estimated $ 16.7 million.

On October 21, 2020, the Corporation acquired a 6% stake in Vitaltech Holdings ("Vitaltech") to the value of $3 million. The Corporation has not exercised the option to acquire an additional 8% shareholding in Vitaltech. The Warrants issued to the Corporation at the time of the initial investment is contingent on performance measures and the 36 month vesting period. See note 11 for additional disclosure.

During December 2020, TMA contributed capital of $100,000 towards a newely formed subsidiary, Tech Mahindra Credit Solutions ("TMCS").

(b) Basis of presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) with the exception as stated below.

TMA have investments in subsidiaries which are listed in Note 9. U.S. generally accepted accounting principles (GAAP) require that all subsidiaries should be consolidated, and consolidated financial statements should be presented. Consolidated financial statements are the general-purpose financial statements of a parent company that has one or more subsidiaries. In certain circumstances, parent company-only financial statements may be required in addition to consolidated financial statements. ASC 810-10-45-11 permits presentation of parent company financial statements as a supplement to the consolidated financial statements when such a presentation is the most effective means of presenting pertinent information. The parent company-only financial statements are being presented without accompanying consolidated financial statements which is not accordance with US GAAP. Accordingly, these financial statements are not the general-purpose financial statements of the reporting entity, TMA.

The Corporation did not present the parent company only financial statements according to the proportionate share of the subsidiaries' net assets as required in the rare instances in which parent company financials are presented without accompanying consolidated financial statements.

(c) Use of estimates in preparation of financial statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions made by management include the determination of recognition of revenue, valuations of privately held equity securities and amortization of assets recognized. The Corporation bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the result of which forms the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

(d) Cash and cash equivalents

Cash represents current accounts and demand deposits held at financial institutions. The Corporation considers all highly liquid investments with a maturity, when purchased, of three months or less to be cash equivalents. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) limitations.

(e) Accounts receivable

Accounts receivable consist of amounts due from customers on revenue contracts contracted directly by TMA and is recorded on the balance sheet as “Accounts receivables, net”. As of March 31, 2021 and 2020 the allowance for doubtful accounts was $1,738,076 and $1,777,309, respectively. Accounts receivables for services rendered to the parent company under the service contract are recorded separately on balance sheet as “Due from parent company”. TML assumes the business and entrepreneurial risks relating to all customer transactions.

(f) Equity method investments

The Corporation accounts for investments in which it has significant influence but not a controlling financial interest using the equity method of accounting. Equity method investments are classified as “Equity Method Investments” in the balance sheet.

(g) Equity securities

The Corporation holds strategic investments in privately held equity securities in which the Corporation does not have a controlling interest or significant influence. Privately held equity securities without a readily determinable fair value are recorded at fair value as described. If, based on the terms of these privately held securities, the Corporation determines that the Corporation exercises significant influence on the entity to which these securities relate, the Corporation will apply the equity method of accounting for such investments.

Privately held equity securities are valued using significant unobservable inputs or data in an inactive market and the valuation requires the Corporation’s judgment due to the absence of market prices and inherent lack of liquidity. The carrying value is not adjusted for the Corporation’s privately held equity securities if there are no observable price changes in a same or similar security from the same issuer or if there are no identified events or changes in circumstances that may indicate impairment, as discussed below. In determining the estimated fair value of its strategic investments in privately held companies, the Corporation utilizes the most recent data available to the Corporation. Valuations of privately held companies are inherently complex due to the lack of readily available market data. In addition, the determination of whether an orderly transaction is for a same or similar investment requires significant management judgment including the nature of rights and obligations of the investments, the extent to which differences in those rights and obligations would affect the fair values of those investments, and the impact of any differences based on the stage of operational development of the investee.

The Corporation regularly assesses its privately held equity securities strategic investment portfolio for impairment. The Corporation’s impairment analysis encompasses an assessment of the severity and duration of the impairment and qualitative and quantitative analysis of other key factors including the investee’s financial metrics, the investee’s products and technologies meeting or exceeding predefined milestones, market acceptance of the product or technology, other competitive products or technology in the market, general market conditions, management and governance structure of the investee, the investee’s liquidity, debt ratios and the rate at which the investee is using its cash.

(h) Property and equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over an estimated useful life of three to five years.

(i) Deferred contract cost

Deferred contract cost is amortized at cost and depreciated using the straight-line method over an estimated useful life of three to five years.

(j) Revenue and expenses

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which requires a corporation to recognize revenue when the corporation transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. A corporation also is required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Corporation adopted the provisions described in ASU 2014-09, Revenue from Contracts with Customers, also referred to as Topic 606. The Corporation adopted the standard using the full retrospective method. The impact of Topic 606 on reported revenue results was not material.

The Corporation determines the amount of revenue to be recognized through application of the following steps:- Identification of the contract, or contracts with a customer;

- Identification of the performance obligations in the contract;
- Determination of the transaction price

; - Allocation of the transaction price to the performance obligations in the contract; and

- Recognition of revenue when or as the Corporation satisfies the performance obligations.

TMA have entered in agreement with TML according to which TML have appointed TMA as a contract service provider for providing onsite software development services (“contract service provider agreement” or “agreement”). According to the terms of the agreement.

- TML will be securing contracts from customers for software development/modification of software and other related services to customers based in the USA.
- TMA in certain cases may enter into contracts with customers based in the USA in its own name and will render the agreed onsite services to TML.
- In respect of all contracts entered with customers, the entire underlying risk and rewards of such contracts shall be with TML alone.
- Costs which are not in relation to provision of service but emanate out of or due to the contracts, will also be reimbursed by TML.

TML pays remuneration to TMA for its services as contract service provider, on a cost-plus basis. This remuneration represents revenue for TMA.

In those cases when TMA may enter into contracts with customers in its own name, TMA recognizes respective revenue and accounts receivables from contract with customers in its books, however since according to the contract service provider agreement the entire underlying risk and rewards of such contracts is with TML alone and this revenue is fully repaid to TML, this revenue is fully netted and presented on net basis in these financial statements.

Amounts of remuneration for provision of services in accordance with the contract service provider agreement are recorded as revenue in the statement of operations. Accounts receivables due from TML in accordance with this agreement are recorded as “Due from parent company”.

TMA fully repays revenue contracted directly by TMA to TML. Accounts payable due to TML for revenue contracted directly by TMA are recorded in “Due to parent company” on the balance sheet. Expenses are recorded when incurred.

(k) Unbilled revenue

Unbilled revenue include revenue recognized in relation to efforts incurred on time and material contracts not billed as of the end of the reporting period and where services have been performed in accordance with the terms of respective contracts with customers.

(l) Income taxes

TMA accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. TMA records valuation allowances against deferred tax assets as deemed necessary.

“

Per FASB ASC 740-10-20, the Corporation follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken on expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates. “

In accordance with guidance in ASC 740-10-30-27, the Corporation uses a “separate return” method to allocate current and deferred taxes or benefits to members of the consolidated return group (“TMA and subsidiaries”) by applying ASC 740 to each member as if they were separate tax payers. Under the “separate return” method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the parent. Management concluded that no provision for income tax is required in the Corporation’s financial statements as a result of uncertain tax positions.

(m) Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

(n) Financial instruments

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Derivative financial instruments

The Corporation, when deemed appropriate, uses derivatives as a risk management tool to mitigate the potential impact of certain market risks. The primary market risks managed by the Corporation through the use of derivative instruments is interest rate risk. All derivatives are carried at fair value in our balance sheet in the following line items, derivative financial liabilities as applicable. The cash flow impact of the Corporation’s derivative instruments is primarily included in the statement of cash flows in net cash provided by operating activities

(o) Fair value - definition and hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Corporation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Corporation to determine fair value are consistent with the income approaches. The Corporation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access
- Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.”

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when observable inputs are not readily available, the Corporation’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Corporation in determining fair value is greatest for investments categorized in Level 3. In some cases, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In such cases, the fair value measurement is generally categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

(p) Leases (policy applicable beginning April 1, 2019)

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, “Leases (Topic 842)” (“ASU 2016-02”), which requires lessees to record most leases on their balance sheets but recognize the expenses on their statements of operations in a manner similar to current accounting rules. ASU 2016-02 states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The new standard is effective for interim and annual periods beginning after December 15, 2020 (i.e. calendar periods beginning on January 1, 2021) on a modified retrospective basis. The Corporation performed early adoption of the ASU 2016-02 on a modified retrospective basis as of April 1, 2019.

The Corporation is a lessee in several non-cancellable operating leases, primarily for office space. The Corporation accounts for leases in accordance with ASC Topic 842, Leases. The Corporation determines if an arrangement is or contains a lease at contract inception. The Corporation recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective-interest method. Key estimates and judgments include how the Corporation determines the discount rate it uses to discount the unpaid lease payments to present value, lease term and lease payments.

ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the Corporation cannot determine the interest rate implicit in the lease because it does not have access to the lessor’s estimated residual value or the amount of the lessor’s deferred initial direct costs. Therefore, the Corporation generally uses its incremental borrowing rate as the discount rate for the lease. The Corporation’s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Corporation does not generally borrow on a collateralized basis, it uses the interest rate it pays on its non-collateralized borrowings as an input to deriving an appropriate incremental borrowing rate, adjusted for the amount of the lease payments, the lease term and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease. The lease term for all of the Corporation’s leases includes the non - cancellable period of the lease plus any additional periods covered by either a Corporation option to extend (or not to terminate) the lease that the Corporation is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

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

- Fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties the Corporation would owe if the lease term assumes Corporation exercise of a termination option);
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
- Amounts expected to be payable under a Corporation-provided residual value guarantee; and
- The exercise price of a Corporation option to purchase the underlying asset if the Corporation is reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received.

Lease expense for lease payments is recognized on a straight-line basis over the lease term.

ROU assets for operating and finance leases are periodically reduced by impairment losses. The Corporation uses the long-lived assets impairment guidance in ASC Subtopic 360-10, Property, Plant, and Equipment – Overall, to determine whether a ROU asset is impaired, and if so, the amount of the impairment loss to recognize.

The Corporation monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

Operating lease ROU assets are presented as operating lease right of use assets on the balance sheet. The current and the long-term portion of operating lease liabilities are presented separately as operating lease liabilities on the balance sheet.

(q) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(r) Reclassifications

The Corporation has reclassified certain amounts relating to its prior period results to conform to its current period presentation. These changes were mainly made from general and administrative expenses and is presented separately on the statement of operations. Derivative financial liabilities was reclassified between current and non-current. These changes have not impacted the results of op**erations of prior periods.**

2 Significant Risks and Uncertainties Including Business and Credit Concentrations

The Corporation is subject to credit risk to the extent any financial institution or customer with which it conducts business is unable to fulfil contracted obligations on its behalf. Management monitors the financial condition of those financial institutions and counterparties.

The Corporation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, amounts due from the parent company and equity securities.

As described in Note 1 (j), TMA entered in agreement with TML according to which TML have appointed TMA as a contract service provider for providing onsite software development services. Accordingly, all revenue of TMA comes from TML, the parent company of TMA. For the summary of all transactions of TMA with TML, refer to Note 23.

Total amount of revenue recorded for the year ended March 31, 2021 and 2020 was $992,012,421 and $1,100,243,365, respectively. Total amount due from the parent company as of March 31, 2021 and 2020 was $111,497,948 and $80,948,922, respectively. Total amount of revenue, which was directly contracted by TMA and remitted to the Parent company for the year ended March 31, 2021 and 2020 amounted to $22,211,946 and $72,227,427, respectively.

For information about revenue and accounts receivables concentration, on revenue contracted directly by TMA, refer to Note 4.

3 Cash and Cash Equivalents

As of March 31, cash and cash equivalents consisted of the following:	2021	2020
Current accounts with banks	6,671,655	1,586,269
Money market mutual funds	-	66,000,000
Total	$ **6,671,655**	$ **67,586,269**

The Corporation places its cash on deposit with financial institution in the United States of America. Cash and cash equivalents are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation limitations. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts.

4 Accounts Receivable, net

TMA in certain cases may enter into contracts with customers based in the USA in its own name and will render the agreed onsite services to TML. Revenue contracted directly by TMA and subsequently transferred back to TML has been treated as agency transactions for the purpose of these financial statements and accordingly presented on net basis.

As of March 31, accounts receivable consisted of the following:	2021	2020
Amounts due for services rendered and billed	5,488,320	7,723,362
Allowance for doubtful accounts	(660,076)	(1,777,309)
Amounts due for services rendered and billed, net	4,828,244	5,946,053
Amounts due for services rendered, not billed	520,868	2,139,197
Total	$ **5,349,112**	$ **8,085,250**

Bad debt write-off was $321,352 and $986,510 for the year ended March 31, 2021 and March 31, 2020, respectively..

(a) Trade receivables: credit risk

The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable upon receipt or immediate to within 120 days.

Aging analysis of trade receivables, is as follows:

	Less than 30 days	Between 30 to 60 days	More than 60 days	Total
Accounts receivable, gross as of March 31, 2021	3,963,590	544,112	980,618	$ **5,488,320**
Accounts receivable, gross as of March 31, 2020	4,568,610	590,680	2,564,072	$ **7,723,362**

(b) Revenue contracted directly by TMA and accounts receivables concentration

The Corporation provides services to customers in diversified customer base and geographic regions and, therefore, has low concentration of credit risk. The Corporation continuously evaluates the credit worthiness of its customers and generally does not require collateral.

Billed accounts receivable concentrations:

Three customers had accounts receivables balances that accounted for more than 10% of gross accounts receivables balance as of March 31, 2021. Total amount of accounts receivables balances of these customers amounted to $2,866,397, or 52% of gross accounts receivables balance as of March 31, 2021.

Accounts receivable concentration as of March 31, 2021

	Amount	Concentration, %
Customer 1	$1,784,852	31%
Customer 2	$679,993	12%
Customer 3	$401,552	7%

Three customers had accounts receivables balances that each individually accounted for more than 10% of gross accounts receivables balance as of March 31, 2020. Total amount of accounts receivables balances of these customers amounted to $2,632,019, or 34% of gross accounts receivables balance as of March 31, 2020.

Accounts receivable concentration as of March 31, 2020

	Amount	Concentration, %
Customer 1	$894,654	12%
Customer 2	$881,756	11%
Customer 3	$855,609	11%

Revenue from 3 customers, which individually accounted for 10% or more of total revenue contracted directly by TMA amounted to $8,451,282 for the year ended March 31, 2021, or 38% from total revenue contracted directly by TMA.

Concentration of revenue contracted directly by TMA for the year ended March 31, 2021

	Amount	Concentration, %
Customer 1	$3,737,070	17%
Customer 2	$2,443,734	11%
Customer 3	$2,270,478	10%

Revenue from 3 customers, which individually accounted for 10% or more of total revenue contracted directly by TMA amounted to $24,723,372 for the year ended March 31, 2020, or 39% from total revenue contracted directly by TMA.

Concentration of revenue contracted directly by TMA for the year ended March 31, 2020

	Amount	Concentration, %
Customer 1	$9,218,080	15%
Customer 2	$7,768,066	12%
Customer 3	$7,737,226	12%

5 Notes Receivable/ Due from Affiliated Companies

(a) Notes Receivable from Affiliated Companies

Notes receivable from affiliated companies consist of the following as of March 31, 2021:

Note amount	Accrued interest	% rate	Maturity	Carrying amount	% payments
Note receivable from Tech Mahindra Servicos de Informatica LTDA, Brazil, current					
3,000,000	328,810	USD Libor+1%		-	Quarterly

Note amount	Accrued interest	% rate	Maturity	Carrying amount	% payments
Note receivable from Lightbridge Communication, Current					
3,000,000	150,105	USD Libor+1%	September, 2021	5,150,105	Quarterly

Note amount	Accrued interest	% rate	Maturity	Carrying amount	% payments
Note receivable from Lightbridge Communication, Current					
2,000,000	651	USD Libor+1%	September, 2021	2,000,651	Quarterly

Notes receivable from affiliated companies consist of the following as of March 31, 2020:

Note amount	Accrued interest	% rate	Maturity	Carrying amount	% payments
Note receivable from Tech Mahindra Servicos de Informatica LTDA, Brazil, Current*					
3,000,000	218,709	USD Libor+1%	September, 2020	3,218,709	Quarterly

	2021	2020
Notes receivable from Affiliated Companies - current portion	7,000,000	3,000,000
Accrued interest	698,275	218,709
Total	$ **7,698,275**	$ **3,218,709**

All notes receivable from affiliated companies are unsecured. Accrued interest income from notes receivable from affiliated companies is included in prepaid expenses and other current assets.

* The note is overdue and an impairment provision was raised in the current year for the carrying amount of $3,328,810.

(b) Due from affiliated companies

The balance due from affiliates includes a balance of $0.3 million (2020: $10.6 million) with an offsetting provision.

6 Income Taxes

TMA accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 1 above.:

Current income tax expense consists of the following:	2021	2020
Federal	13,449,565	12,408,735
State	4,586,178	4,472,086
Total	$ **18,035,743**	$ **16,880,821**

Deferred income tax expense benefit consists of the following:

	2021	2020
Other	-	(2,096,698)
Federal	(4,640,009)	(1,052,024)
State	(1,765,714)	(780,613)
Total	**(6,405,723)**	**(3,929,335)**
Total current and deferred income tax expense	$ **11,630,020**	$ **12,951,486**

Deferred tax asset consists of the following:	2021	2020
Federal	24,393,072	23,485,687
State	4,854,492	4,121,977
Total	$ **29,247,564**	$ **27,607,664**

As of March 31, 2021, and 2020, TMA had utilized all federal net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA had utilized all state net operating losses (NOLs) available to be utilized for the respective years which were carried forward from prior years. TMA expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

In accordance with the tax sharing arrangement between the Corporation and its wholly owned subsidiary, LCC, the Corporation recorded an amount payable to LCC as of March 31, 2021 and 2020, of $2.7 million and $32.8 million for LCC's NOL that the Corporation is able to utilize as part of filing a consolidated Federal income tax return. The amount payable to LCC was during the 2021 financial year. The closing amount of the deferred tax asset consists primarily of LCC's NOL.

In the ordinary course of business there are many transactions with affiliated companies that affect the calculation and estimation of the Corporation's tax liability. Although management believes that the Corporation's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Corporation's historical income tax provisions and accruals. As of March 31, 2021, the Corporation's tax years from 2016 to 2021 are open for examination by Federal and state tax authorities

7 Property and Equipment

Property and equipment, net, consisted of the following as of March 31,

	2021	2020
Plant and machinery	26,764,034	26,805,903
Computer and software	55,391,707	46,848,077
Furniture and equipment	1,747,039	2,134,439
Leasehold improvements	1,404,822	1,606,419
Office equipment	1,359,252	1,687,449
Accumulated depreciation	(73,614,474)	(64,975,068)
Total	$ **13,052,380**	$ **14,107,219**

Reconciliation of carrying value of property and equipment for the year ended March 31, was as follows:

	2021	2020
Carrying value at the beginning of the year	14,107,219	16,436,681
Additions	9,802,392	10,906,601
Disposals	(2,217,826)	(10,474,438)
Accumulated depreciation on disposals	2,161,921	10,461,716
Depreciation	(10,801,326)	(13,223,341)
Carrying value at the end of the year	$ **13,052,380**	$ **14,107,219**

8 Intangible Assets Acquired through Business Combinations

At March 31, intangible assets are summarized as follows:

	2021	2020
Customer lists	23,424,422	23,424,422
Accumulated amortization	(14,787,322)	(12,275,205)
Carrying value at the end of the year	$ **8,637,100**	$ **11,149,217**

9 Investments in Subsidiaries

	2021	2020
Tech Talenta, Inc.	500,000	500,000
Lightbridge Communication Corporation	159,021,946	159,021,946
Tech Mahindra Healthcare Systems Holdings LLC	104,162,140	97,040,520
Madpow Media Solutions	28,324,430	28,324,430
Objectwise Consulting Group	1,805,691	1,694,010
Zen3 Infosolutions (America) Inc.	51,339,287	-
Tech Mahindra Credit Solutions Inc.	100,000	-
Total	$ **345,253,494**	$ **252,492,208**

Refer to footnote 1(a) for a description of the listed investments.

10 Equity Method Investments

Avion Systems, Inc.	2021	2020
Investment cost	3,000,000	3,000,000
Profit receivable from associate	33,676	33,676
Provision	(3,033,676)	(3,033,676)
Carrying value	$ **-**	$ **-**

Refer to footnote 1(a) for a description of the listed investments.

11 Equity Securities

As of March 31, 2021, equity securities consisted of the following:

	2021	2020
Altiostar Networks, Inc.	-	15,000,000
Sierra Private Investments LP	-	10,000,000
VitalTech Holdings Inc.	3,000,001	-
Total	$ **3,000,001**	$ **25,000,000**

As of March 31, 2021, current equity securities consisted of the following:

	2021	2020
Sierra Private Investments LP (**)	10,000,000	-
Total	$ **10,000,000**	$ **-**

** The Corporation has the right to sell its T units at the original value plus compounded interest subject to terms and conditions tied to certain rights of the counterparty. See note 24 for additional disclosure.

12 Other Assets

As of March 31, other assets consisted of the following:

	2021	2020
Deferred contract cost, net	123,399,773	153,125,298
Total	$ **123,399,773**	$ **153,125,298**

Deferred contract cost comprises of technology license agreements and capitalized as other assets.

13 Short-Term Debt

Short-term debt comprises of unsecured revolving credit facilities of $100 million and $80 million attracting interest at variable rates. The revolving credit facilities are renewed on a 90 and 180 day basis, respectively. Accrued interest payable on borrowing facilities as of March 31, 2021 and March 31, 2020 was included within accrued expenses and other current financial liabilities.

14 Note Payable to Affiliated Company

On March 31, 2020, the Corporation signed short-term borrowing agreement with affiliated company, the CJS Solutions Group LLC, with total credit limit of $40 million at an % rate of USD LIBOR + 1%. On March 31, 2020 TMA obtained $37.5 million from the CJS Solutions Group LLC under this borrowing facility. The loan was received for a period of 30 days, and matured on April 30, 2020. On March 31, 2021 the Corporation entered into an intercompany loan agreement with Tech Mahindra Technologies Inc. with a total credit limit of $5 million at an % rate of USD 1.0068% with an expiration date of September 30, 2021.

15 Due to Affiliated Companies

Due to affiliated companies consisted of the following at March 31:

	2021	2020
Payable to Lightbridge Communication Corporation under tax sharing arrangement	2,696,671	32,800,262
Other accrued expenses due to other affiliated companies	2,612,229	3,105,394
Total	$ **5,308,900**	$ **35,905,656**

(*) In accordance with the tax sharing arrangement between the Company and its wholly owned subsidiary, LCC, the Company recorded an amount payable to LCC as of March 31, 2020 and 2019, of $32,800,262 and $32,409,683 for LCC's NOL that the Company is able to utilize as part of filing a consolidated Federal income tax return.

16 Accrued Expenses and Other Current Financial Liabilities and Other Non-Current Financial Liabilities

Accrued expenses and other current financial liabilities consisted of the following at March 31:

	2021	2020
Accrued expenses	23,058,762	37,672,882
Financial liability under license agreements - current portion	34,578,750	34,631,933
Accrued expenses - subcontracted associates	22,224,578	22,016,356
Accrued payroll compensation	13,223,388	14,038,300
Other payroll related liabilities	21,727,666	14,886,864
Contingent consideration - current portion	11,286,371	8,532,723
Accrued payroll related taxes (*)	11,429,614	1,087,938
Accrued interest expenses on notes payable	228,196	723,192
Derivative financial liabilities	598,335	1,504,191
Other current liabilities	1,310,201	1,450,783
Total	$ **139,665,861**	$ **136,545,162**

Other non-current financial liabilities consisted of the following at March 31:

	2021	2020
Financial liability under license agreements – long-term portion	60,310,635	100,425,362
Contingent consideration – long-term portion	14,729,305	5,568,469
Other payroll related liabilities – long-term portion	3,973,390	3,823,001
Accrued payroll related taxes - long-term portion (*)	10,405,060	-
Derivative financial liabilities - long-term portion	-	151,957
Total	$ **89,418,390**	$ **109,968,789**

* Due to the impact of the Covid-19 pandemic the Corporation was allowed a deferral of the employer portion of social security tax deposits for the period between April and December 2020, TMA entered into a tax credit and deferral agreement.

The following table shows the remaining undiscounted cash flows for the financial liability under the license agreements:

	2021
Future obligation commitment	
Year one	34,578,750
Years two to four	62,395,926
Total undiscounted liability	**96,974,676**
Imputed interest	2,085,291
Total amortized cost under contractual obligation	$ **94,889,385**

17 Common Stock

	2021	2020
Ordinary shares of $1 each	**Number of shares**	**Number of shares**
Issued and fully paid	170,521,745	170,521,745

The Corporation is authorized to issue 220,000,000 shares of common stock, par value $1 per share, of which 170,521,745 shares were issued and outstanding on March 31, 2021 and 2020.

The sole shareholder, TML; being the sole owner of common stock is entitled to one vote per share, and to receive dividends and, upon liquidation or dissolution, is entitled to receive all assets available for distribution to stockholders. There are no preemptive or other subscription rights and there are no redemption or sinking fund provisions with respect to such shares.

18 Employee Benefits

TMA's medical benefits are provided under a partially self-insured plan and a contract with an insurance company for major stop-loss coverage. Under the insurance contract, TMA is liable for all expenses under an aggregate annual maximum based on the number of persons covered. Management has included in accrued expenses claims payable and an estimate of incurred but not paid claims as of the year end.

Employees of TMA may be allotted/granted shares in TML in terms of several Employee Stock Option plans. The allotment of options to eligible employees is decided by the Compensation Committee which is comprised of certain directors of TML. However, it is the opinion of management that the options granted to the employees relate to the services rendered to the parent company and therefore need not be accounted for by TMA under FASB ASC 718, Compensation - Stock Compensation as these options relate to shares of TML.

19 Leases

Information as of and for the year ended March 31, 2021:

The Corporation has several non-cancellable operating leases, primarily for office space that expire over the next five years. These leases generally contain renewal options for periods ranging from two to five years. Because the Corporation is not reasonably certain to exercise these renewal options, the options are not considered in determining the lease term and associated potential option payments are excluded from lease payments. The Corporation's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include mainly fixed payments.

Total lease cost for the year ended March 31, 2021 amounted to $4,549,751.

Amounts reported in the balance sheet as of March 31, 2020 were as follows:

Operating leases:	**2021**	**2020**
Operating lease ROU assets	10,409,733	11,104,937
Operating lease liabilities – short-term	4,256,480	4,218,394
Operating lease liabilities – long-term	5,695,523	7,488,766
Total operating lease liabilities	$ **9,952,003**	$ **11,707,160**

Maturities of operating lease liabilities under non-cancellable leases as of March 31, 2021 are as follows:

	Operating leases
In 1 year	4,255,810
In 2 to 5 years	5,821,897
Thereafter	212,270
Total undiscounted lease payments	10,289,977
Less: imputed interest	(337,974)
Total lease liabilities	$ **9,952,003**

Other information related to leases as of March 31, 2021 was as follows:

	2021	**2020**
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities:	(4,507,056)	(3,997,117)
ROU assets obtained in exchange for lease obligations	1,796,674	15,415,856
Reductions to ROU assets resulting from reductions to lease obligations	(1,672,332)	(4,310,919)
Weighted average remaining lease term	2 years	2 years
Weighted-average discount rate	2%	2%

20 Commitments and Contingencies

The Corporation is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Corporation's financial position, results of operations, or liquidity.

21 Mergers with Companies under Common Control

Mahindra Technologies Services Inc.

On May 19, 2019 the Board of Directors approved the transfer of the entire issued and outstanding capital of Mahindra Technologies Services Inc. ("MTSI") to TMA, for consideration to be paid in the amount of $1,169,651. The separate existence of MTSI ceased on July 1, 2019, which management considered as the effective date of the merger. The results of operations for April 1, 2019 to June 30, 2019 in the amount of $103 was included in TMA's results as though the transfer of net assets had occurred at the beginning of the period. From that date to the end of the period and all future periods the results of MTSI will be those of the combined operations. The substance of the MTSI transaction did not result in a change of reporting entity for TMA and was prospectively accounted for as described above.

	Net value acquired
Assets	
Cash	1,088,403
Accounts receivable, net	7,174
Tax receivable	20,057
Deferred taxes	68,040
	1,183,674
Liabilities	
Accrued expenses	(9,954)
	(9,954)
Net value acquired	1,173,720
Prior periods retained earnings included on April 1, 2019	(123,616)
Consideration paid over net asset value acquired	119,547
Consideration paid	1,169,651

22 Financial Instruments

Interest rate swap - designated as a hedge

Derivative financial instruments are used by the Corporation principally in the management of its interest rate exposures. The Corporation does not hold or issue derivative financial instruments for trading purposes. For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the effective portion of the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

Interest Rate Swaps. The Corporation uses interest rate swaps to manage its interest rate risk. The swaps are designated as cash flow hedges with the changes in fair value recorded in AOCI and as a derivative asset or liability, as applicable. The swaps settle periodically in arrears with the related amounts for the current settlement period payable to, or receivable from, the counter-parties included in accrued liabilities or receivables, respectively, and recognized in earnings as an adjustment to Interest Expense from the underlying debt to which the swap is designated. As of March 31,2021 and 2020, the Corporation had a series of U.S. dollar denominated interest rate swaps outstanding with effectively fixing the interest on variable rate debt, exclusive of lender spreads, on a floating leg for a specified notional principal amount.

The Corporation's interest rate swap derivative financial instruments at March 31, 2021 are as follows:

	Average Contracted Fixed Interest Rate		Notional Principal Value		Fair Value assets (liabilities)	
	2021	2020	2021	2020	2021	2020
	%	%				
Cash Flow Hedges						
Outstanding receive floating pay fixed contracts						
Less than 1 year	1.83%	1.76%	43,000,000	75,000,000	(598,336)	1,504,191
1 to 2 years	0.79%	-	22,000,000	-	118,185	-
2 to 5 years	-	0.79%	-	22,000,000	-	151,957

The fair values of derivative instruments as of March 31, 2020 and 2019 are as follows.

	2021	2020
	Fair value	Fair value
Derivative Assets	118,184	-
Derivative Liabilities	(598,335)	(1,656,148)
	$ **(480,151)**	$ **(1,656,148)**

23 Transaction with Parent Company

As stated in Note I and Note 2 above, TMA has entered into revenue sharing agreement with TML, its parent company. The transactions with TML are summarized below:

	Year ended March 31,	
	2021	2020
Beginning balance, due from parent company	50,410,753	105,404,633
External contract revenue recharge to parent company	(22,211,946)	(72,227,428)
Cost of services	-	-
Income from parent company	995,133,265	1,100,243,365
Payments to parent company	30,638,218	144,228,948
Collections from parent company	(979,249,908)	(1,221,593,739)
Expense reimbursement - debit/credit notes	9,108,080	(5,645,026)
Ending balance, due from parent company	$ **83,828,462**	$ **50,410,753**

Due (to) from parent consists of:	2021	2020
Amounts due to parent company	(27,669,486)	(30,538,169)
Amounts due from parent company	111,497,948	80,948,922
	$ **83,828,462**	$ **50,410,753**

24 Fair value hierarchy

The following tables summarize those assets and liabilities measured at fair value on a recurring basis:

The fair values of the Corporation's financial assets and liabilities by category as at March 31, 2021 were as follows.

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities	13,000,001	-	-	13,000,001
Liabilities				
Derivative financial liabilities	(481,151)	-	-	(481,151)
Total	$ **12,518,850**	$ **-**	$ **-**	$ **12,518,850**

The fair values of the Corporation's financial assets and liabilities by category as at March 31, 2020 were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities	25,000,000	-	-	25,000,000
Liabilities				
Derivative financial liabilities	(1,656,148)	-	-	(1,656,148)
Total	$ **23,343,852**	$ **-**	$ **-**	$ **23,343,852**

Liabilities related to contingent consideration that are measured at fair value in connection with certain acquisitions have not been categorized in the fair value hierarchy but are included in Note 16.

25 Subsequent Events

The Corporation has evaluated subsequent events through May 7, 2021, the date the financial statements were available to be issued.

Tech Mahindra (Americas), Inc. has entered into a purchase agreement with Eventus Solutions Group, LLC on April 26, 2021 with a purchase price of $44 million.

During April of 2021, the Corporation liquidated its holdings of T units in Maviner, indirectly through Sierra, in exchange for the original value assigned of $10 million plus interest.

The Corporation has committed to acquiring 100% of DigitalOnUs Inc. along with its subsidiaries, other than the Indian entity. The Indian subsidiary of the target will be acquired directly through Tech Mahindra Ltd, India (TML). The total purchase consideration for the deal is $120 million.

The Corporation incorporated a 100% subsidiary, Healthnxt Inc. on April 27, 2021.

Except as discussed above, no significant events occurred subsequent to the balance sheet date but prior to May 7, 2021, that would have a material impact on the financial statements.

Supplemental schedules of revenue and expenses for the year ended March 31, 2021 and for the year ended March 31, 2020

(All amounts are in USD)	2021	2020
Schedule I		
Revenue		
- External contracted revenue	22,111,946	72,227,428
- Transfers to parent and affiliated companies	(22,111,946)	(72,227,428)
Total	**-**	**-**
- Revenue from parent	992,012,421	1,100,243,365
Total	$ **992,012,421**	$ **1,100,243,365**

	2021	2020
Schedule II		
Personnel expenses		
- Payroll expenses	(475,871,900)	(505,298,592)
- Other employee compensation	(39,470,140)	(27,044,036)
- Payroll taxes	(37,377,036)	(40,874,711)
- Employee benefits - health insurance	(29,094,663)	(28,336,828)
Total	$ **(581,813,739)**	$ **(601,554,167)**

	2021	2020
Schedule III		
Subcontracting expenses		
- Subcontracting expenses - associates	(157,911,088)	(182,951,184)
- Subcontracting expenses - project specific expenses	(60,279,414)	(111,908,533)
- Subcontracting expenses - intercompany	(2,819,615)	(10,044,846)
Total	$ **(221,010,117)**	$ **(304,904,563)**

	2021	2020
Schedule IV		
General administrative and other expenses		
- Communications	(7,810,624)	(8,035,488)
- Visa fees	(7,410,089)	(14,793,990)
- Lease expense	(4,549,791)	(4,599,340)
- Office expenses	(4,078,046)	(5,873,626)
- Legal expenses	(3,878,825)	(10,288,706)
- Professional fees	(3,669,664)	(3,443,298)
- Travel	(2,579,408)	(15,416,750)
- Miscellaneous	(2,487,752)	(1,059,295)
- Amortization of prepaid employee costs related to business combinations	(1,361,445)	(2,083,333)
- Sales and other indirect taxes refund / (expense)	(608,065)	(1,468,578)
- Insurance	(602,658)	(444,319)
- Sales and marketing	(601,380)	(1,916,633)
- Entertainment	(160,621)	(1,192,610)
- Short tenure office leases	-	(635,765)
Total	$ **(39,798,368)**	$ **(71,251,731)**

TECH TALENTA INC

Board of Directors
Mr. Manish M Vyas
Mr. Guru Prasad R Iyengar

Registered Office
5700 Democracy Drive,
Suite # 2000, Plano,
TX 75024 USA
United States of America

Bankers
HSBC Bank

Auditors
CKH CPAs and Advisors, LLC

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Corporation for the year ended March 31, 2021.

Financial Results:

For the year ended March 31	**2021 USD**	**2020 USD**
Income	10,940,885	20,763,983
Profit/(Loss) before tax	47,742	1,082,312
Profit/(Loss)after tax	38,804	802,658

Review of operations:

During the fiscal year under review the Corporation achieved an income of US$ 10.94 Mn. The Corporation is engaged in the business of recruitment, fulfilment and on-going management of local temporary contractor resources in the areas of IT Development, Product Engineering and IT Systems Support Operations. Tech Talenta Inc is a wholly owned subsidiary of Tech Mahindra (Americas), Inc.

Board:

During the year under review, there is no change in the constitution of Board Mr. Manish M Vyas and Mr. Guru Prasad R Iyengar are the members of the Board of Directors.

Outlook for the current year:

The Corporation will continue to focus on vendor development and fulfilling staff augmentation need for Tech Mahindra operation.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Corporation. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder for the co-operation and assistance received from them.

Manish M Vyas
Director

Place: Texas
Date: April 30, 2021

INDEPENDENT AUDITOR'S REPORT

To:Board of Directors
Tech Talenta Inc.
a Texas Corporation,
a wholly owned subsidiary of Tech Mahindra (Americas), Inc.
Plano, Texas

Opinion

We have audited the accompanying financial statements of Tech Talenta Inc. a Texas Corporation, which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of operations and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Talenta Inc as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tech Talenta Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

As discussed in notes 35 and 36 to the financial statements, the Company has had numerous transactions with the parent company.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on page 40 are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Talenta Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tech Talenta Inc.

internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Talenta Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CKH CPAs and Advisors, LLC
Atlanta, Georgia
April 30, 2021

TECH TALENTA INC

BALANCE SHEETS

	Notes	2021 $	2020 $
Current assets			
Cash and cash equivalents		711,756	122,514
Accounts receivable, net	3	53,541	3,020,215
Employee advances		-	12,793
Prepaid expenses		2,424	30,597
Due from parent company	6	2,435,086	1,166,994
Due from affiliated companies	7	2,935,245	2,695,000
		6,138,052	**7,048,113**
Non-current assets			
Property and equipment, net	4	-	-
Deferred tax asset	5	157,201	65,591
Total Assets		**6,295,253**	**7,113,704**
Current liabilities			
Accrued expenses		1,088,911	2,139,662
Accounts payable		210,719	30,863
Due to parent company	6	49,553	6,819
Due to affiliate companies	7	-	-
Income tax payable		132,228	161,321
Total liabilities		**1,481,411**	**2,338,665**
Stockholder's Equity			
Common stock - $1 par value, 500,000 shares authorized, issued and outstanding	8	500,000	500,000
Retained earnings		4,313,842	4,275,039
Equity attributable to stockholder's of the Company		**4,813,842**	**4,775,039**
Total Liabilities and Stockholder's Equity		**6,295,253**	**7,113,704**

STATEMENTS OF OPERATIONS YEARS ENDED MARCH 31,

	Schedules	**2021** **$**	**2020** **$**
Revenue	I	10,940,885	20,763,983
Operating expenses			
Depreciation		-	899
Personnel cost	II	5,498,409	10,309,131
Subcontracting expenses	III	5,162,810	9,057,535
General and administrative	IV	243,726	316,191
		10,904,945	**19,683,756**
Operating income		35,940	1,080,227
Non-operating income:			
Other income		11,802	2,027
Foreign currency exchange		-	58
Income before income tax expense		**47,742**	**1,082,312**
Income tax expense	Note 5	8,938	279,654
Net Income		**38,804**	**802,658**
Retained earnings, beginning of period		4,275,038	3,472,380
Retained earnings, end of period		4,313,842	4,275,038

All revenue and profit for the year is generated from continuing operations

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31,

	2021 $	2020 $
Cash flows from operating activities		
Net income	38,804	802,658
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	-	899
Deferred income tax (benefit) expense	(91,610)	(13,857)
Changes in operating assets and liabilities:		
Accounts receivable, net	2,966,674	(857,332)
Employee advances	12,793	7,412
Income tax payable	(29,093)	71,325
Prepaid expenses	28,170	(30,597)
Due from parent company	(1,268,092)	882,919
Due from affiliate companies	(240,245)	(1,976,790)
Accounts payable	179,856	(174,566)
Accrued expenses	(1,050,751)	1,047,114
Balance due to parent company	42,734	(22,784)
Afiliated companies	-	(35,917)
Net cash provided by (used in) operating activities	**589,242**	**(299,516)**
Increase (decrease) in cash and cash equivalents	589,242	(299,516)
Cash and cash equivalents at beginning of year	122,514	422,030
Cash and cash equivalents at end of year	**711,756**	**122,514**
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	129,641	214,387

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Tech Talenta Inc. (the “Company” or “TechT”) is a wholly owned subsidiary of Tech Mahindra (Americas), Inc. (“TMA”). The Company was incorporated in the State of Texas on March 6, 2012. The Company is engaged in the business of recruitment, fulfillment and ongoing management of local temporary contractor resources in the areas of IT Development, Product Engineering, IT Systems Support and Operations for clients across North America.

On May 7, 2014, the Company registered a branch office in Canada. This branch was dissolved with the effective date March 20, 2018.

On February 9, 2016, the Company registered a branch office in the United Kingdom. This branch was closed on December 31, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation of the financial statements

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification’s content carries the same level of authority.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of the statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalent.

The Company places its cash on deposit with financial institution in the United States of America. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. As of March 31, 2021, the Company had a balance with the financial institution that exceeded the Federal insured limit by $461,756.

Accounts receivable

Accounts receivable consist primarily of amounts due from parent and affiliated companies’ customers for services provided by the Company. Management’s estimates of uncollectible accounts is based upon an analysis of past due accounts. Accounts are written off when all methods of collection have been exhausted.

Revenue Recognition

Effective October 1, 2013, the Company has entered into a contract with Tech Mahindra Limited (“TechM”), an affiliated company. Under the contract TechM has agreed to reimburse TechT all direct project expenses and all indirect costs plus 3% of these expenses.

Effective October 1, 2013, the Company has entered into a contract with Tech Mahindra (Americas) Inc.(“TMA”), the parent company. Under the contract TMA, has agreed to reimburse TechT all direct project expenses and all indirect costs plus 3% of these expenses.

Revenue is derived from services that are provided under time and material contracts. Revenue on fixed fee contracts is recognized based on the percentage of completion method, which is calculated based on total hours incurred to total estimated hours. Revenue on time and material contracts is recognized as the services are performed.

Unbilled revenue comprises of revenue recognized in relation to efforts incurred on time and material contracts not billed as of the period end where services are performed in accordance with agreed terms.

Income Taxes

The Company accounts for income taxes using FASB ASC 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

In terms of FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

In accordance with guidance in ASC 740-10-30-27, the Company uses a “separate return” method to allocate current and deferred taxes or benefits to members of the consolidated return group by applying ASC 740 to each member as if they were separate tax payers. Under the “separate return” method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the parent.

Property and equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the three years estimated useful lives of the assets.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. The cost of properties sold or otherwise disposed of, and the accumulated depreciated thereon, is eliminated from the property and reserve accounts, and gains and losses are reflected in the statement of income.

Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

3. ACCOUNTS RECEIVABLE, NET

The following table summarizes, our accounts receivable and other, that approximate fair value due to the immediate to short-term maturity of these financial instruments.

	2021 $	2020 $
Amounts due for services rendered, billed	371,016	2,639,453
Less: allowance for doubtful accounts	(369,913)	(160,425)
	1,103	**2,479,028**
Amounts due for services rendered, not billed	52,438	541,187
	53,541	**3,020,216**

a) Trade receivables: credit risk

The entity's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the entity deploys in order to mitigate this risk are discussed in c) below. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable immediately or within 10 to 60 days. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business.

On this basis, the billed aging analysis of trade receivables, is as follows:

	Less than 30 days $	**Between 30 to 60 days** $	**More than 60 days** $	**Total** $
The carrying amounts reported as at March 31, 2021	108,404	21,202	241,410	371,016
The carrying amounts reported as at March 31, 2020	1,392,439	149,322	1,097,692	2,639,453

b) Movement in the allowance account for bad and doubtful receivables

Bad debt movement was $209,488 (2020: $128,369) from the year ended March 31, 2021.

c) Revenue and accounts receivable concentrations

The Company provides services to customers in diversified customer base and geographic regions and, therefore, has low concentrations of credit risk. The Company continuously evaluates the creditworthiness of its customers and generally does not require collateral.

Revenue and Accounts receivable concentration:

Billed accounts receivable	**March 31,**			
	2021		**2020**	
	Amount	**Concentration**	**Amount**	**Concentration**
Customer 1	104,707	28%	1,823,750	22%
Customer 2	80,850	22%	199,455	22%
Customer 3	76,319	21%	115,402	16%
Revenue from third parties				
Customer 1	522,351	39%	6,999,053	87%
Customer 2	232,477	18%	2,268,285	28%
Customer 4	197,211	15%	1,479,525	18%

4. PROPERTY AND EQUIPMENT, NET

	2021 $	2020 $
Property and equipment are summarized as follows at March 31, 2021 and 2020:		
Furniture and fixtures	88,701	88,701
Office equipment	9,848	9,848
Computers	25,817	25,817
Software	6,693	6,693
Less: accumulated depreciation	(131,059)	(131,059)

Depreciation expense was $0 and $899 for the years ended March 31, 2021 and 2020, respectively.

Reconciliation of carrying value

	2021 $	2020 $
Carrying value at the beginning of the year	-	-
Additions	-	-
Depreciation	-	(899)
Carrying value at the end of the year	**-**	**(899)**

5. INCOME TAXES

The Company accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as discussed in Note 2 above.

The components of the provisions for the income taxes for the years ended March 31, 2021 and 2020 are as follows:

	2021 $	2020 $
Current		
Federal	78,809	221,882
State	21,739	71,629
	100,548	**293,511**
Deferred		
Federal & State	(91,610)	(13,857)
	(91,610)	(13,857)
Total current and deferred income tax expense	**8,938**	**279,654**
Deferred tax asset consists of the following:		
Federal	117,534	49,041
State	39,667	16,550
Total deferred tax asset	**157,201**	**65,591**

As of March 31, 2021 and 2020, the Company had no federal or state net operating losses (NOLs) available to be carried forward.

In the ordinary course of business, there are many intercompany transactions that affect the calculation and estimation of the Company's tax liability. Although the Company's management believes that their tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's income tax provisions and accruals.

6. TRANSACTIONS WITH PARENT COMPANY

In the years ended March 31, 2021 and 2020, TechT had inter-company transactions with Tech Mahindra (Americas), Inc. the parent company. Transactions with parent company are summarized below:

	2021 $	2020 $
Beginning balance, due from / (to) parent company	1,160,175	2,020,310
Revenue from parent company	1,880,576	4,575,650
Expense reimbursement - debit / credit notes	(221,386)	(424,200)
Payments to parent company	181,302	450,505
Collections from parent company	(615,134)	(5,462,090)
Ending balance, due from / (to) parent company	2,385,533	1,160,175
Due (to) / from parent consists of:		
Amounts due to parent company	(49,553)	(6,819)
Amounts due from parent company	2,435,086	1,166,994
	2,385,533	**1,160,175**

All transactions with related parties are priced on an arm's length basis.

7. TRANSACTIONS WITH AFFILIATED COMPANIES

In the years ended March 31, 2021 and 2020, TechT had inter-company transactions with Tech Mahindra Limited ("TechM"), an affiliated company. Transactions with TechM are summarized below:

	2021 $	2020 $
Beginning balance, due (to) / from TechM	2,695,000	685,944
Revenue from TechM	7,734,769	8,184,011
Expense reimbursement - debit/ credit notes	1,934,193	1,443,212
Payments to affiliated company	12,564	32,266
Collections from affiliated company	(9,441,281)	(7,650,433)
Ending balance, due (to) from TechM	2,935,245	2,695,000
Due (to) from affiliated companies consists of:		
Amounts due to affiliated companies	-	-
Amounts due from affiliated companies	2,935,245	2,695,000
	2,935,245	**2,695,000**

All transactions with related parties are priced on an arm's length basis.

8. COMMON STOCK

Ordinary shares of $1 each	**Number**	**2021** **$**	**2020** **$**
Issued and fully paid	500,000	500,000	500,000

The Company is authorized to issue 500,000 shares of common stock at a par value of $1 per share, of which 500,000 shares were issued and outstanding at March 31, 2021 and 2020. No dividends were issued during the years ended March 31, 2021 and 2020

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 30, 2021, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 30, 2021, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES YEARS ENDED MARCH 31,

	2021 $	2020 $
Schedule I		
REVENUE		
Revenue from affiliated company	7,734,769	4,575,650
Revenue from parent company	1,880,576	8,184,011
Revenue from third parties	1,325,540	8,004,322
	10,940,885	**20,763,983**
Schedule II		
PERSONNEL COST		
Personnel expense	5,109,655	9,521,645
Payroll tax	388,754	787,486
	5,498,409	**10,309,131**
Schedule III		
SUBCONTRACTING EXPENSES		
Contracted services	5,162,810	9,057,535
	5,162,810	**9,057,535**
Schedule IV		
GENERAL AND ADMINISTRATIVE		
Bad debt provision	209,488	128,369
Communication	85	-
Insurance	2,642	-
Miscellaneous expense	11	881
Other taxes	16,433	31,861
Professional fees	14,834	36,900
Sales and Marketing	(1,845)	72,000
Travel	2,078	46,180
	243,726	**316,191**

TECH MAHINDRA TECHNOLOGIES INC.

Board of Directors

Mr. Krishna Bala

(Director & President & CEO -Appointed w.e.f 10th December, 2020)

Mr. Manish Vyas

Mr. Lakshmanan Chidambaram

Mr. Arvind Malhotra (Resigned w.e.f 9th December, 2020)

Registered Office

1220 N., Market Street,

806, Wilmington,

Delaware, USA 19801

India Branch Office

TMTC SEZ building, C/o. Tech Mahindra Limited

Bahadurpally, Medchal,District

Hyderabad, INDIA - 500043

Bankers

HSBC Bank, USA and INDIA

HO Auditors

Chugh CPA's LLP,

California, USA

India Branch Auditors

M. Bhaskara Rao & Co.,

Chartered Accountants

Somajiguda, HYDERABAD – 500 082

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2021.

For the year ended March 31,	**2021 US$**	2020 US$
Income	**29,624,656**	30,742,228
Profit/(Loss) before tax	**6,628,284**	5,582,735
Profit/(Loss) after tax	**4,482,871**	3,511,130

Review of Operations:

During the year under review, your company recorded an income of US$ 29,624,656, decrease by 4% over the previous year income of 30,742,228. Profit after tax for the current year was increased to US$ 4,482,871 compared with previous year US$ 3,511,130.

On January11, 2017 the Company has established an international branch in India at Hyderabad and transactions for this branch are included in these consolidated financial statements.

Board

During the year under review, Mr. Arvind Malhotra Director & President & CEO has resigned w.e.f 9th December,2020 and Mr. Krishna Bala has been appointed as Director & President & CEO w.e.f 10th December,2020. Other than this there is no change in the constitution of Board. The Board of Directors are Mr. Krishna Bala, Mr. Manish Vyas and Mr. Lakshmanan Chidambaram. The Board placed on record its appreciation for the valuable guidance provided by Mr Arvind Malhotra during his tenure as a Director of the corporation.

Dividend

During the year under review, Board has approved a final dividend at the rate of US$ 50 per share amounting to US$ 5,000,000 for the financial year 2020-21 and for the financial year 2019-20 it was US$ 2.5 million.

Outlook for the current year and Impact of Covid-19

During the year the incidence of Covid-19 developed into a global pandemic. The directors have assessed the impact of Covid-19 on the business at the balance sheet date and consider that the company's assets are expected to realise their carrying value in the ordinary course of business and that all known liabilities have been included. The company has not experienced any adverse impact on the demand for its services which continue to be provided to its customers with minimal disruption. Despite the worldwide uncertainty caused by Covid-19, and its potential to impact the company, the directors are confident that due to the nature of the company's customer base and its current financial strength, any potential detrimental effect on its business is not expected to be significant.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

The Board placed on record its appreciation for the valuable guidance provided by Mr Arvind Malhotra during his tenure as a Director of the corporation

Krishna Bala
Director, President and CEO

Place: Texas
Date: May 25, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of Tech Mahindra Technologies, Inc.

We have audited the accompanying consolidated financial statements of Tech Mahindra Technologies, Inc., a Delaware corporation, which comprise the consolidated balance sheets as of March 31, 2021 and 2020 and the related consolidated statements of income, stockholder'sequity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of India branch of Tech Mahindra Technologies, Inc, which statements reflect total assets of approximately $5,987,000 and $3,904,000 as of March 31, 2021 and 2020, respectively, and revenues of approximately $3,908,000 and $4,153,000, respectively, for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for India Branch of Tech Mahindra Technologies Inc, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra Technologies, Inc. as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Chugh CPAs, LLP
Cerritos, California

May 25, 2021

TECH MAHINDRA TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEETS

March 31,	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 6,208,492	$ 3,599,042
Accounts receivable	3,123,147	5,072,530
Loan receivable - related party	5,000,000	-
Prepaid expenses and other current assets	42,011	116,430
Prepaid taxes	144,723	355,446
TOTAL CURRENT ASSETS	**14,518,373**	**9,143,448**
NON-CURRENT ASSETS		
Property and equipment, net	89,327	200,106
Software	299,991	-
Work in progress	-	449,987
Other assets	5,873	5,873
Deferred tax assets	344,843	163,916
TOTAL NON-CURRENT ASSETS	**740,034**	**819,881**
TOTAL ASSETS	**$15,258,407**	**$9,963,329**
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	$152,443	$607,823
Unearned revenue	210,003	-
Accrued expenses and other liabilities	2,176,295	1,485,143
Provision for income tax	263,110	358,978
TOTAL CURRENT LIABILITIES	**2,801,851**	**2,451,944**
LONG-TERM LIABILITIES		
Grants repayable	269,201	161,820
Other non-current liabilities	308,390	75,112
TOTAL LONG-TERM LIABILITIES	**577,591**	**236,932**
TOTAL LIABILITIES	**3,379,442**	**2,688,876**
Commitment and contingencies		
STOCKHOLDER'S EQUITY		
Common stock, $0.01 par value (1,000,000 shares authorized; 100,000 shares issued and outstanding)	1,000	1,000
Additional paid- in-capital	999,000	999,000
Accumulated earnings	10,935,358	6,452,487
Accumulated other comprehensive loss	(56,393)	(178,035)
TOTAL STOCKHOLDER'S EQUITY	**11,878,965**	**7,274,452**
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$15,258,407**	**$9,963,329**

see accompanying notes to consolidated financial statement

CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31,	2021	2020
REVENUE	**$ 29,624,656**	**$ 30,742,228**
LESS: COST OF REVENUE	(20,793,381)	(22,613,308)
GROSS PROFIT	**8,831,275**	**8,128,920**
LESS: OPERATING EXPENSES		
Selling, general and administrative expenses	(2,324,169)	(2,646,463)
INCOME FROM OPERATIONS	**6,507,106**	**5,482,457**
OTHER INCOME		
Other income	6,835	15
Interest income	114,343	100,263
	121,178	100,278
INCOME BEFORE INCOME TAXES	**6,628,284**	**5,582,735**
LESS: PROVISION FOR INCOME TAXES		
Income tax - current	1,923,197	1,487,417
Income tax - deferred	(179,622)	(56,115)
Foreign tax	401,838	640,302
	2,145,413	2,071,605
NET INCOME	**$ 4,482,871**	**$ 3,511,130**

see accompanying notes to consolidated financial statement

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

	Common Stock		Additional Paid In Capital	Accumulated Earnings	Accumulated Other Comprehensive Income	Total Stockholder's Equity
	Shares	Amount				
Balance at April 1, 2019	100,000	$1,000	$999,000	$5,441,357	$(9,148)	$6,432,209
Dividend				$(2,500,000)	$-	$(2,500,000)
Net income	-	-	-	3,511,130	-	3,511,130
Foreign currency translation adjustments		-	-	-	(158,534)	(158,534)
Remeasurement of defined benefit plan	-	-	-	-	(10,352)	(10,352)
Balance at March 31, 2020	**100,000**	**$1,000**	**$999,000**	**$6,452,487**	**$(178,035)**	**$7,274,452**
Net income	-	-	-	4,482,871	-	4,482,871
Foreign currency translation adjustments		-	-	-	105,835	105,835
Remeasurement of defined benefit plan, net of tax	-	-	-	-	15,807	15,807
Balance at March 31, 2021	**100,000**	**$1,000**	**$999,000**	**$10,935,358**	**$(56,393)**	**$11,878,965**

see accompanying notes to consolidated financial statement

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31,	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$4,482,871	$3,511,130
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and depreciation	262,101	65,886
Remeasurement of defined benefit plan	15,807	(10,352)
Foreign currency translation adjustments	105,835	(158,534)
Deferred tax	(180,927)	(62,947)
(Increase) decrease in assets:		
Account receivable	1,949,383	(1,756,116)
Prepaid expenses and other current assets	74,418	(53,939)
Prepaid income taxes	210,723	148,608
Increase (decrease) in liabilities:		
Accounts payable	(455,380)	(89,214)
Unearned revenue	210,003	-
Accrued expenses and other current liabilities	691,150	606,388
Provision for income taxes	(95,868)	3,532
Grants repayable	107,381	-
Other non-current liabilities	233,278	75,112
NET CASH PROVIDED BY OPERATING ACTIVITIES	**7,610,776**	**2,279,554**
CASH FLOWS FROM INVESTING ACTIVIES		
Acquisition of property & equipment	(1,326)	(239,916)
Work in progress	-	(15,336)
NET CASH USED IN INVESTING ACTIVITIES	**(1,326)**	**(255,251)**
CASH FLOWS FROM FINANCING ACTIVIES		
Loan to related party	(5,000,000)	-
Dividend	-	(2,500,000)
NET CASH USED IN FINANCING ACTIVITIES	**(5,000,000)**	**(2,500,000)**
Net increase (decrease) in cash and cash equivalents	2,609,450	(475,697)
Cash and cash equivalents, beginning of year	3,599,042	4,074,739
Cash and cash equivalents, end of year	**$6,208,492**	**$3,599,042**
Supplementary disclosures:		
Income taxes paid	$1,825,341	$1,433,435

see accompanying notes to consolidated financial statement

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations

Tech Mahindra Technologies Inc. the “Company” was incorporated as a Delaware corporation on September 28, 2000. The Company was formed to provide software development, professional engineering and information services. The Company is now a wholly owned subsidiary of Tech Mahindra Limited (the parent company). During 2014, the Company changed its name from Satyam Technologies Inc. to Tech Mahindra Technologies Inc. On January 11, 2017, the Company has established an international branch in India, the transactions for this are included in these consolidated financial statements.

2. Summary of significant accounting policies

This summary of significant accounting policies of Tech Mahindra Technologies Inc. is presented to assist in understanding the Company’s consolidated financial statements.

Basis of presentation and consolidation

The consolidated financial statements are presented on the accrual method of accounting as prescribed by the generally accepted accounting principles (GAAP) in the United States of America. The consolidated financial statements include the foreign branch in India. All inter-company balances and transactions have been eliminated.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents are defined as highly liquid investments with maturity dates of three months or less. Included in the cash equivalents is the certificate of deposits with original maturities greater than three months and remaining maturities less than one year.

Accounts receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. Allowance for doubtful accounts is maintained with respect to accounts determined to be uncollectible in the current period. Management determines the allowance for doubtful accounts based upon historical experience and assessment of the collectability of existing specific accounts. Accounts are written off against the allowance when they are deemed uncollectible. At March 31, 2021, the Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment

Property and equipment are recorded at cost less depreciation. Depreciation and amortization are computed using the straight-line method over useful lives, which range from 3 to 5 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or remaining lease term.

Depreciation expenses were $262,101 and $65,886 during the years ended March 31, 2021 and 2020, respectively.

Expenditures for maintenance and repairs which are not for the permanent improvement, betterment or restoring property are charged directly to appropriate operating accounts at the time the expense is incurred.

Impairment of long-lived assets

The Company is required, under current accounting standards to review the carrying value of its long-lived assets, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. As of March 31, 2021, management has determined that no impairment exists. Accordingly, no adjustments have been made to the carrying values of long-lived assets.

Income taxes

The Company accounts for income taxes in accordance with the FASB ASC 740 (formerly SFAS No. 109, “Accounting for Income Taxes”), which requires an asset and liability approach to financial accounting and reporting of income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Financial Accounting Standards Board issued FIN 48 now known as ASC No. 740–10 “Accounting for Uncertainty in Income Taxes”, the Company adopted FIN 48, thereafter, recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

In evaluating the Company’s tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

Revenue recognition

The Company earns revenue from software development and consulting services. Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for engineering services with customers, the Company has the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. For the year ended March 31, 2021, volume discounts which reduced the revenue amounted to $236,250.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Contract Assets and Contract Liabilities

A contract asset results when goods or services have been transferred to the customer, but payment is contingent upon a future event, other than the passage of time. The Company does not have any material unbilled receivables, therefore, does not have any contract assets. The Company only has accounts receivable as disclosed on the face of the balance sheet. Included in the accounts receivable as of March 31, 2021 and 2020, total unbilled of $675,723 and $1,202,592, respectively, which refers to the revenue that was earned but not billed as of the end of the year.

The Company records contract liabilities to unearned revenue when the Company receives customer payments in advance of the performance obligations being satisfied on the Company's contracts. As of March 31, 2021, unearned revenue amounted to $210,003.

Employee benefits

401(k) savings plan

The Company has established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code, which covers substantially all employees who meet minimum age and services requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the Board of Directors. For the years ended March 31, 2021 and 2020, the Company did not make any contribution to the plan.

Gratuity

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur.

Provident fund

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the statement of income. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

Foreign currency

Foreign translation adjustments

The Company's other comprehensive income consists of foreign currency translation adjustments from the branch not using the U.S. dollar as its functional currency.

All assets and liabilities are translated using the exchange rate on the date of the balance sheet. Revenues, expenses, and net income are translated using prevailing on the date of the transaction. The foreign exchange adjustment that results from these translations appears in other comprehensive income.

Foreign currency transactions are recorded at exchange rates.

Foreign exchange gain and loss

Transaction gain and losses are included in net income which results from transactions denominated in a currency other than an its functional currency.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation. These changes have no impact on previously reported consolidated net income or consolidated stockholder's equity.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board issued a new accounting pronouncement that requires lessees to record assets and liabilities on the balance sheet for lease-related rights and obligations and disclose key information about certain leasing arrangements. This new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU assets and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as financing or operating, with classification affecting the pattern of expense recognition in the statement of operations. ASU 2019-10 delayed this one year to years beginning after December 15, 2020, however, as a result of COVID 19 this is now move to another year beginning after December 15, 2021 or the 2022 calendar year. The Company will the adopt the standard, including the related amendments, using the modified retrospective approach, applying the provisions of the new standard on its effective date. Management is currently evaluating the potential impact that the adoption of this standard will have on the Company's financial position, results of operations, and related disclosures.

3. Risks and uncertainties

In the normal course of business, the Company maintains its cash balances in a financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses in such account and believes it is not subject to any significant credit risk as all its deposits are maintained in a high-quality financial institution. The balance in excess of the FDIC limits at March 31, 2021 and 2020 was approximately $3,682,000 and $3,374,000, respectively.

The Company operates in the computer industry. The fluctuations in information technology spending caused by market conditions or availability of qualified personnel to complete the projects may have significant effect on the profitability of the Company.

The Company may be exposed to currency risk which is the potential risk of loss from fluctuating foreign exchange rates related to its foreign transactions and foreign operations.

COVID-19 has spread across most of the world including the United States of America where the Company has its operations. However, the Company's operations had not affected significantly for the current year. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions.

4. Major customers and subcontractors

Major customers

Accounts receivable balances are typically unsecured and are derived from revenues earned from customers. For the year ended March 31, 2021, the Company had three major customers, one of which is the Company's parent company (See Note 5. Related party transactions). These three customers accounted for approximately 90% and 72% of revenue and accounts receivable, respectively. For the year ended March 31, 2020, the Company had one major customer (the Company's parent company) which accounted for 42% and 23% of revenue and accounts receivable, respectively.

Major subcontractors

For the year ended March 31, 2021, the Company had one major service provider which represents approximately 46% of the total subcontracting and 45% of accounts payable. For the year ended March 31, 2020, one supplier accounted for 28% of subcontracting expense, which is a related party described in Note 5. Related party transactions, of approximately $1.4 million and 78% of accounts payable.

5. Related party transactions

The Company is wholly owned subsidiary of Tech Mahindra Limited, an India based company (parent company).

The Company has entered into professional service agreements with its parent company, including with Tech Mahindra Network Services International, Inc., Tech Mahindra Americas, Inc. and Tech Mahindra Growth Factories Limited, which are subsidiaries of the parent company.

In addition, the Company through its Branch made contribution to Tech Mahindra Foundation (a non-profit organization) the Corporate Social Responsibility (CSR) arm of Tech Mahindra.

	2021	2020
	USD	USD
Services Received / Operating Expense from:		
Tech Mahindra Limited (for subcontracting services)	-	1,484,980
Tech Mahindra Limited (for rent of the foreign branch)	670,994	664,822
Tech Mahindra (Americas), Inc. (for other operating and reimbursable expenses)	1,532,206	1,233,099
	2,203,200	**3,382,901**
Services Provided To:		
Tech Mahindra Limited	7,499,043	12,850,704
Tech Mahindra (Americas) Inc.	74,785	94,956
	7,573,828	**12,945,660**
Interest Income on Inter Company Loan given:		
Tech Mahindra (Americas), Inc.	276	-

Related party accounts receivable and payable as at March 31, 2021 and March 31, 2020 as follows:

	2021	2020
Accounts receivable:		
Tech Mahindra Limited	558,142	859,122
Tech Mahindra (Americas), Inc.	-	7,269
	558,142	**866,391**
Unbilled revenue:		
Tech Mahindra Limited	198,620	291,430
Inter Company Loan receivable:		
Tech Mahindra (Americas), Inc.	5,000,000	-
Interest Accrued on Inter Company Loan receivable:		
Tech Mahindra (Americas), Inc.	276	-
Accounts payable:		
Tech Mahindra Limited	52,623	347,155
Tech Mahindra (Americas), Inc.	98,536	127,543
Tech Mahindra Growth Factories Limited	-	150
	151,158	**474,848**
Contribution made towards CSR Expenditure of India Branch		
Tech Mahindra Foundation	41,376	-

Loan receivable from Tech Mahindra (Americas) Inc.

On March 30, 2021, the Company entered into loan agreement with Tech Mahindra (Americas) Inc., the borrower, a related party, for an unsecured loan of $5 million. The loan is subject to interest of LIBOR plus eighty basis points (~ 1% p.a.) per annum on the amount borrowed and the interest is calculated from the date of disbursement. The interest is payable at the end of the tenure of the loan. The borrower agrees to repay the loan amount on or before September 30, 2021, with the borrower's option to repay the loan either in full or in installments. Accrued interest receivable as of March 31, 2021 is $276.

6. **Property and equipment, net**

Property and equipment consisted of the following:	2021	2020
	$	$
Furniture and Fixtures	$49,521	$49,521
Office Equipment	4,438	4,438
Computers and equipment	155,586	154,281
Leasehold improvements	68,236	68,236
	277,781	**276,476**
Less: Accumulated depreciation/amortization	(188,454)	(76,370)
Net	**$89,327**	**$200,106**

7. **Software**

The software pertains to the total costs of $449,987 incurred when the Company obtained a contract for the development of a commercial product beginning February 2017. Costs incurred by the Company were capitalized and reported as work in progress on the balance sheet as of March 31, 2020. During the year March 31, 2021, the Company began amortization when the product first became available for general release to customers. The annual amortization is computed using the straight-line method over the estimated economic life of the product of 3 years, as this amount is greater than amount based on the ratio of current revenue and total expected revenue. The accumulated amortization as of March 31, 2021 is $149,996.

8. Income taxes

Deferred tax assets and liability consist of the following as of March 31, 2021 and 2020:

	2021	2020
	$	$
Deferred tax assets		
Accrued liabilities	$152,074	$54,790
Provision for employee benefits	56,705	-
Depreciation & amortization	54,706	-
State deferred tax	-	
Vacation accrual	98,650	119,282
Total	**$362,134**	**$174,072**

Income tax (benefit)/expense consisted of the following as of March 31, 2021 and 2020:

Deferred tax liabilities		
Depreciation & amortization	-	3782
State deferred tax	17291	6374
Total	17291	10156
Net	344843	163916
Less : valuation allowance	-	-
Deferred tax assets, net	**$344,843**	**$163,916**

	2021	2020
	$	$
Current income tax		
Federal	$1,436,940	$1,147,330
State	486,257	340,088
Foreign	401,838	640,302
	$2,325,035	$2,127,720
	2021	**2020**
Deferred income tax (benefit)		
Federal	$(132,147)	$(28,303)
State	(48,635)	(8,877)
Foreign	1,159	(18,935)
	$(179,622)	**$(56,115)**

9. Employee benefit

A. Current and Non-current breakup:

Current liability	$	6,702
Non-current liability		50,609
Total Liability	$	57,311

B. Changes in defined benefit obligation:

Defined Benefit Obligation(DBO) at the end of prior period	$	67,022
Service cost		10,806
Interest cost on the DBO		3,967
Past Service cost-plan amendment		-
Actuarial(gain)/loss		(15,867)
Benefits paid		(8,617)
DBO at the end of current period	$	57,311

C. Expected benefit payments for the year ending March 31:

2022	$	6,839
2023		6,839
2024		8,754
2025		9,985
2026		11,900
2027		59,773
Total	$	104,090

D. Amounts recognized in statement of Profit & Loss:

Service Cost		$10,806
Actuarial (gains)/losses		(15,867)
Net interest on net defined benefit liability/(asset)		3,967
Cost recognized in P&L	$	(1,094)

E. Amounts recognized in Other Comprehensive income (OCI):

Net Gain/(Loss)	$	(15,867)
Cumulative (Gain)/Loss Recognized via OCI at Prior Period End		-
Cumulative (Gain)/Loss Recognized via OCI at Current Period End	$	(15,867)

F. The Principal Assumptions used for the purposes of the actuarial valuation as follows

Discount Rate(s)	6.20%
Expected Rate(s) of salary increase	
Top Management	4.00%
Middle Management	4.00%
Other Staff	8.00%

10. Grants repayable

In connection with the development of commercial product described in Note 6. Property and equipment, net, the Company has obtained a conditional funding contract. As per the contract, the Company will periodically receive funds up to a maximum of $270,000 and has to return the same with time value based on 5% of the gross sale value realized from marketing this product expected to be refunded over a period of 5 years after completion of development of product. As of March 31, 2021, the outstanding grant repayable was $269,201.

11. Accrued compensated absences

Employees of the Company are entitled to paid vacation and sick days depending on length of service and other factors. As at March 31, 2021 and 2020, the Company accrued a total of $349,090 and $399,209, respectively, of unused vacation and sick leave. This accrued compensated absence account is included in the accrued expenses and other liabilities account.

12. Deferred payroll tax

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Section 2302 permits the deferral of payment of the employer portion of social security taxes between March 27, 2020 and December 31, 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022.

Starting April 2020, the Company began deferral of the employer portion of social security taxes. As of March 31, 2021, the deferred payroll tax amounted to $539,761, of which $231,326 is classified as noncurrent included in the Other non-current liabilities account.

13. Commitments

Leases

The Company entered into a three-year non-cancelable operating lease agreement for its branch office in Hyderabad, India with its parent company. The lease agreement expired on March 1, 2020 and renewed for another three years expiring 2023. In addition, the Company also entered into lease agreements for its US offices with an unrelated party from earliest date effective April 1, 2019 and latest lease ends January 2023.

Future lease payments are as follows:

Year ended March 31,	**Amount**
2022	$ 886,838
2023	752,250
	$1,639,088

The Company did not record the effect of deferred rent since the amount is not material.

For the year ended March 31, 2021 and 2020, the total rent expense associated with this lease is $870,048 and $837,603, respectively, which is included in selling, general and administrative expenses.

14. Common stock

Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to the prior rights of holders of all classes of stock outstanding.

During the year ended March 31, 2020, the Company's board of directors declared and paid dividend at the rate of $25 per share on the outstanding number of shares of 100,000 for the total of $2.5 million. During the year ended March 31, 2021, the Company's Board of Directors has not declared any dividend.

15. Subsequent events

The Company evaluated its consolidated financial statements for subsequent events through May 25, 2021, the date of the consolidated financial statements were issued.

TECH MAHINDRA LLC

Board of Managers
Mr. Manish M Vyas
Mr. Arvind Malhotra (Resigned w.e.f 9th December, 2020)
Mr. Lakshmanan Chidambaram

Registered Office
251 Little Falls Drive, Wilmington,
New Castle, Delaware, 19808

Bankers
HSBC Bank

Auditors
CKH CPAs and Advisors, LLC

BOARD OF MANAGERS' REPORT

The Board of Managers present their Report together with the audited accounts of your Company for the year ended March 31, 2021.

Financial Results:

For the year ended March 31	**2021 USD**	**2020 USD**
Income	93,478	26,982
Profit/(Loss) before tax	0	0
Profit/(Loss)after tax	0	0

Review of operations:

During the fiscal year under review, the Company achieved an income of US$ 93.4 Thousand.

Board:

During the year under review, Mr. Arvind Malhotra resigned as Board Manager of the LLC. Mr. Manish Vyas, Mr. Lakshmanan Chidambaram are the Board of Managers. The Board placed on record its appreciation for the valuable guidance provided by Mr Arvind Malhotra during his tenure as a Board Manager of the LLC.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgements:

Your Board of Managers gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Board of Managers also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

Manish Vyas
Board of Manager

Place: Texas
Date: April 30, 2021

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tech Mahindra LLC
A Delaware Limited Liability Company
a wholly owned subsidiary of Tech Mahindra Limited an India Corporation
Plano, Texas

Opinion

We have audited the accompanying financial statements of Tech Mahindra LLC, a Delaware Limited Liability Company, which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of operations, changes in member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra LLC as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tech Mahindra LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

As discussed in Note 4 to the financial statements, the Company has had numerous transactions with the parent company.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on page 67 are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tech Mahindra LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tech Mahindra LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CKH CPAs and Advisors, LLC
Atlanta, Georgia
April 30, 2021

TECH MAHINDRA LLC

BALANCE SHEETS

	Note	**March 31, 2021**	March 31, 2020
ASSETS:			
Current assets:			
Cash and cash equivalents		159,261	$774,329
Accounts receivable, net	3	11,971,519	6,647,532
Due from parent company	4	4,008,365	12,863
Total current assets		16,139,145	7,434,724
Total Assets		**16,139,145**	**7,434,724**
LIABILITIES AND MEMBER'S EQUITY :			
Current liabilities:			
Accounts payable			-
Accrued expenses and other current liabilities		3,027,790	110,365
Due to parent company	4	13,101,355	7,314,359
Total current liabilities		**16,129,145**	**7,424,724**
Member's equity		10,000	10,000
Total Liabilities and Member's Equity		**16,139,145**	**7,434,724**

STATEMENTS OF OPERATIONS

	Schedule	For the year ended March 31, 2021	For the year ended March 31, 2020
REVENUES	I	93,478	26,982
COST OF REVENUES		-	-
GROSS PROFIT		**93,478**	**26,982**
OPERATING EXPENSES:			
General and administrative	II	12,872	14,119
Interest expenses		80,606	12,863
Total operating expenses		93,478	26,982
Operating profit		**-**	**-**
INCOME TAX EXPENSE		-	-
NET INCOME		**-**	**-**

TECH MAHINDRA LLC

STATEMENTS OF CHANGES IN MEMBER'S EQUITY

	Member's Equity	Retained Earnings	Total Member's Equity
Balance at March 31, 2019	**$ 10,000**	**$ -**	**$ 10,000**
Net income for the year	-	-	-
Balance at March 31, 2020	**$ 10,000**	**$ -**	**$ 10,000**
Net income for the year	-	-	-
Balance at March 31, 2021	**$ 10,000**	**$ -**	**$ 10,000**

STATEMENTS OF CASH FLOWS

	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	-	-
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable, net	(5,323,987)	(3,070,409)
Due to parent company	(3,995,502)	(8,448)
Due to parent company	5,786,996	3,279,004
Accrued expenses and other current liabilities	2,917,425	106,340
Net Cash Provided by Operating Activities	**(615,068)**	**306,487**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Changes in equity:		
Member's contribution	-	10,000
Net Cash Provided by Investing Activities	**-**	**10,000**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Used in Financing Activities	**-**	**-**
Net increase in cash and cash equivalents	(615,068)	316,487
Cash and cash equivalents, beginning of period	774,329	457,842
Cash and cash equivalents, end of period	**159,261**	**774,329**
Supplemental disclosure:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2021

1. NATURE OF OPERATIONS

Tech Mahindra LLC (the “Company” or “TMLLC”) is a wholly owned subsidiary of Tech Mahindra Ltd. (“TML”). The Company was incorporated in the State of Delaware on June 14, 2018. The Company is engaged in the business of providing sofware development services onsite for clients across the United States of America.

In terms of an signed agreement between the company and Tech Mahindra Limited (“TML”), the company will enter into contracts with customers based in the United States of America for the development or modification of software and other related services. The company will then outsource all of these services to TML, who will accept the responsibility of fulfilling the terms of these agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification’s content carries the same level of authority.

B. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

C. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

D. REVENUE AND EXPENSES

Effective December 17, 2018, the Company has entered into a contract with Tech Mahindra Ltd.(“TML”) to outsource all services to TML. Under the contract with TML, the Company has agreed to outsource all of the services to TML at the price agreed between the Company and it’s customers. Revenue derived from the outsource of these services is recognized on time and material basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

Management determined, by virtue of the rights and obligations resulting from its master services agreement with TML, that it does not meet the control indicators as defined in ASC 606. The Company conducts services as agent of TML and recognizes revenue as the net amount of consideration that it retains after paying TML the consideration received in exchange for the goods or services to be provided by TML.

E. INCOME TAXES

As a single member LLC, the Company’s income and deductions are reported on the LLC member’s corporate income tax return as a “disregarded entity” for income tax purposes. Accordingly, the member of the Company will be responsible for income taxes; therefore, no provision for income taxes is included in these financial statements. Due to various timing differences, income is recognised in different periods for tax reporting purposes than for financial statements purposes.

F. CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Company places its cash on deposit with financial institution in the United States of America. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. As of March 31, 2021, the Company had $0 (2020: $524,329) in excess of the Federally insured limit with the financial institution.

G. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract’s terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company’s specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days is an indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

H. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

I. RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

3. ACCOUNTS RECEIVABLE, NET

At March 31, 2021 and 2020, accounts receivable balances were as follows:

	March 31, 2021	March 31, 2020
Amounts due for services rendered and billed	9,110,330	5,568,027
Less: allowance for doubtful accounts	-	-
Amounts due for services rendered and billed, net	9,110,330	5,568,027
Amounts due for services rendered, not billed	2,861,189	1,079,505
Total accounts receivable, net	**11,971,519**	**6,647,532**

4. TRANSACTIONS WITH PARENT COMPANY

During the period ended March 31, 2021 and 2020, the Company had transactions with Tech Mahindra Ltd.("TML"). At March 31, 2021 and 2020 the Company had payables due to TML as follows:

	March 31, 2021	March 31, 2020
Beginning balance, due to	7,301,496	4,030,940
Cost of services from TML	59,394,006	16,805,066
Reimbursements	(4,000,000)	-
Payments to parent company	(53,509,034)	(13,507,528)
Revenue from TML	(93,478)	(26,982)
Ending balance, due to	**9,092,990**	**7,301,496**
Due (to) consists of:		
Amounts due to TML	13,101,355	7,314,359
Amounts due from TML	(4,008,365)	(12,863)
	9,092,990	**7,301,496**

Amounts due to and receivable from TML are interest free and payable on demand.

5. LITIGATION AND CONTINGENCIES

The Company is not involved in any legal proceedings in the ordinary course of its business.

6. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales. The concentration for revenue and billed accounts receivable, for the period ended March 31, 2021, is predominately from the following customers:

Billed accounts receivable as at 31 March, 2021	Amount	Concentration
Customer 1	4,111,514	45%
Customer 2	2,090,413	23%
Customer 3	964,430	11%

Billed accounts receivable as at 31 March, 2020	Amount	Concentration
Customer 1	3,463,949	60%
Customer 2	2,026,456	35%
Customer 3	131,533	2%
Revenue concentration for the 12 months ended March 31, 2021	**Amount**	**Concentration**
Customer 1	29,605,670	50%
Customer 2	14,286,169	24%
Customer 3	8,762,986	15%
Revenue concentration for the 12 months ended March 31, 2020	**Amount**	**Concentration**
Customer 1	4,735,389	28%
Customer 2	10,107,457	60%
Customer 3	381,506	2%

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company's floatable interest rate debt are considered reasonable estimates of fair value.

8. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 30, 2021. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES YEARS ENDED MARCH 31,2021

	For the year ended March 31, 2021	For the year ended March 31, 2020
Schedule I		
REVENUE		
Contract revenue from third parties	59,394,006	16,832,048
Transfer to parent or affiliated companies	(59,394,006)	(16,832,048)
	-	-
Revenue from parent or affliated companies	93,478	26,982
Revenue from third parties	-	-
	93,478	**26,982**
Schedule II		
GENERAL AND ADMINISTRATIVE		
Professional fees	9,556	13,482
Insurance	2,404	500
Miscellaneous	841	-
Bank charges	71	137
	12,872	**14,119**

TECH MAHINDRA GMBH

Supervisory Board
Mr. Rajesh Chandiramani
Mr. Manish M Vyas

Managing Directors
Mr. Mukul Dhyani
Mr. Mandar Vasant Bhairavkar

Registered Office
Fritz-Vomfelde Str. 8
40547 Dusseldorf
Germany

Bankers
HSBC Bank
HSBC Trinkaus and Burkhardt AG
Koenigsallee 21/23
40212 Duesseldorf

Auditors
KPMG AG
Tersteegenstraße 19-23
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INDEPENDENT AUDITORS' REPORT

To TECH MAHINDRA GmbH, Düsseldorf

Opinions

We have audited the annual financial statements of TECH MAHINDRA GmbH, Düsseldorf, which comprise the balance sheet as at 31 March 2021, and the income statement for the financial year from 1 April 2020 to 31 March 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of TECH MAHINDRA GmbH for the financial year from 1 April 2020 to 31 March 2021. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Section 289f (4) HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards), which is included in Section 2.2.4 of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

– the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2021 and of its financial performance for the financial year from 1 April 2020 to 31 March 2021, in accordance with German Legally Required Accounting Principles, and

– the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" Section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Other Information

Management is responsible for the other information. The other information comprises the corporate governance statement pursuant to Section 289f (4) HGB (disclosures on the quota for women on executive boards).

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

– is materially inconsistent with the annual financial statements, with the management report information audited for content or our knowledge obtained in the audit, or

– otherwise appears to be materially misstated.

Responsibilities of Management for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 opinions. 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 controls.
– Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
– Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. 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 be able to continue as a going concern.
– Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
– Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
– Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Düsseldorf, June 8, 2021

KPMG AG

Wirtschaftsprüfungsgesellschaft

[signature] Kis	[signature] Krantz
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

BALANCE SHEET AS AT 31 MARCH 2021

Assets

		31-03-2021		31-03-2020	
		EUR	EUR	EUR	EUR
A.	**Fixed assets**				
I.	**Intangible assets**				
1.	Aquired software		258,574.00		606,094.81
II.	**Property, plant and equipment**				
	Other equipment, operating and office equipment		1,834,152.24		2,794,719.07
III.	**Financial assets**				
	Shares in affiliated companies		20,356.86		8,356.86
			2,113,083.10		**3,409,170.74**
B.	**Current assets**				
I.	**Inventories**				
	Prepayments		19,596.73		24,593.43
II.	**Receivables and other assets**				
1.	Trade receivables	14,769,041.54		18,258,412.32	
2.	Receivables from affiliated companies	24,678,851.26		27,279,868.81	
3.	Other assets	1,452,607.16	40,900,499.96	1,032,530.66	46,570,811.79
III.	**Cash and cash equivalents**		144,868.97		1,109,699.90
			41,064,965.66		**47,705,105.12**
C.	**Prepaid expenses**		**959,481.63**		**808,500.82**
			44,137,530.39		**51,922,776.68**

Equity and liabilities

		31-03-2021	31-03-2020
		EUR	EUR
A.	**Equity**		
I.	**Subscribed capital**	601,000.00	601,000.00
II.	**Capital reserve**	7,705,770.17	17,082,298.90
III.	**Profit carried forward**	164,421.19	9,120,524.18
IV.	**Net loss for the period/Net profit**	4,716,342.61	-8,956,102.99
		13,187,533.97	**17,847,720.09**
B.	**Provisions**		
1.	Provisions for pensions and similar obligations	122,474.52	202,529.81
2.	Tax provisions	36,670.00	1,473,294.88
3.	Other provisions	10,456,101.69	10,368,623.00
		10,615,246.21	**12,044,447.69**
C.	**Liabilities**		
1.	Liabilities to banks	933,583.34	0.00
2.	Trade payables	430,294.10	422,034.94
3.	Liabilities to affiliated companies	17,988,634.48	20,328,306.24
4.	Other liabilities	982,238.29	1,280,267.72
	– thereof taxes EUR 977,442.99 (prior year: EUR 1,271,744.97) –		
	– thereof social securities EUR 3,810.71 (prior year: EUR 3,750.38) –		
		20,334,750.21	**22,030,608.90**
		44,137,530.39	**51,922,776.68**

INCOME STATEMENT FOR THE FINANCIAL YEAR 1 APRIL 2020 TO 31 MARCH 2021

		2020/2021		2019/2020	
		EUR	EUR	EUR	EUR
1.	Revenue		75,093,046.41		83,911,167.07
2.	Other operating income		2,724,440.19		1,431,527.39
3.	Cost of materials				
	Cost of purchased services		26,353,759.35		25,154,600.42
4.	Personnel expenses				
	a) Wages and salaries	33,607,818.96		40,583,239.89	
	b) Social security, pension and other benefits	4,854,914.21	38,462,733.17	5,726,091.14	46,309,331.03
5.	Amortisation of intangible assets and depreciation of property, plant and equipment		1,107,755.29		1,050,679.20
6.	Other operating expenses		6,772,181.49		21,006,413.17
7.	Other interest and similar income		250,369.99		460,476.26
8.	Interest and similar expenses		387,126.58		94,518.37
9.	Income taxes		263,527.50		1,137,714.52
10.	**Result after taxes**		**4,720,773.21**		**(8,950,085.99)**
11.	Other taxes		4,430.60		6,017.00
12.	**Net profit for the year/Net loss**		**4,716,342.61**		**(8,956,102.99)**

TECH MAHINDRA GMBH, DÜSSELDORF/GERMANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

1 April 2020 to 31 March 2021

General information about the annual financial statements

TECH MAHINDRA GmbH is located in Düsseldorf and registered at the Registry court in Düsseldorf, Registry court number, HRB 47738. The company is a large corporation within the meaning of Section 267 (3) HGB.

The annual financial statements were prepared in accordance with the provisions of the German Commercial code (HGB) in the current version and the supplementary provisions of the German limited liability company law (Gesetz betreffend Gesellschaften mit beschränkter Haftung (GmbHG)).

The financial statements comprise balance sheet, income statement and notes (including the fixed-asset movement schedule). The income statement was prepared in accordance with the nature of expense method (§ 275 (2) HGB).

Disclosures on accounting policies

Intangible assets are measured at cost and amortized on a straight-line basis over their economic useful life. Purchased software is amortized over their useful life of four years. Intangible asset, which are fully amortized, will be presented as disposal in the last year of amortization.

Tangible assets are valued at cost and depreciated over their estimated useful life on a straight-line basis. Operating and office equipment is depreciated over a useful life of three to ten years.

Low-value assets with costs of up to EUR 800.00 are immediately recognized as depreciation expense and directly presented as disposal.

Investments and other financial assets are recognized at cost. If necessary, the applicable lower value has been recognized at the reporting date.

Receivables and other assets are recognized at nominal value. In order to cover all recognizable risks as at the balance sheet date, allowances for bad debts are set aside.

Cash-in-hand and bank balances are recognized at nominal value.

Prepaid expenses are incurred before the balance sheet date to the extent that these constitute expenditures for a certain time thereafter.

Deferred taxes will be determined for temporary differences between the carrying amounts of assets and liabilities under commercial law and their tax bases and for usable loss carryforwards. Deferred taxes are calculated on the basis of an average income tax rate of 31 %. Any net resulting tax burden would be recognized in the balance sheet as deferred tax liabilities. In the event of a tax relief (deferred tax asset), the option granted in Section 274 (1) Sentence 2 HGB is exercised and a balance sheet entry is waived. In the current financial year, there was a total asset surplus not shown in the balance sheet. This is mainly due to valuation differences between the commercial balance sheet and the tax balance sheet with regard to pension provisions.

Provisions were recognized for all further uncertain liabilities. They reflect all identifiable risks. In accordance with section 253 (1) sentence 2 of the HGB, provisions are measured at the settlement amount dictated by prudent business judgement.

Provisions from pension obligations were calculated based on the projected unit credit method by an actuarial. The underlying assumptions are presented in following explanations to the balance sheets.

Liabilities are recognized at their settlement amount.

Income and expenses are recognized in the income statement on an accrual basis. Revenue is recognized at the time when services are rendered.

Assets and liabilities in foreign currencies are valued in the annual financial statements at the average rate for the date of initial recognition. On the reporting date, assets and liabilities denominated in foreign currencies with a remaining term of up to one year are converted at the exchange rate prevailing on the balance sheet date. Non-current receivables and liabilities denominated in foreign currencies are valued in accordance with the lower of cost or market principle (section 256a sentence 2 HGB) and recognized at the exchange rate on the balance sheet date provided that the exchange rate on the transaction date was not lower (for assets) or higher (for liabilities). Profit and loss from converting foreign currency transactions into local currency are recognized separately in the income statement under “Other operating income” and “Other operating expenses”.

BALANCE SHEET

Fixed Assets

With regard to the development of intangible assets, tangible assets and financial assists we refer to the fixed-asset movement schedule (as appendix to the notes).

Financial assets

The company holds the share in the following investments:

TechM IT Services GmbH, Wien/Austria:

	March 31, 2021	March 31, 2020
Shareholding relationship	100 %	100 %
Equity in kEUR	107	100
Result for the year in kEUR	7	11

TECH MAHINDRA Norway A.S, Norway:

	March 31, 2021	March 31, 2020
Shareholding relationship	100 %	100 %
Equity in kNOK	10,876	7,752
Result for the year in kNOK	3,134	2,991
FX-rate as of March 31	9.9888 NOK/ EUR	11.7084 NOK/ EUR

Tech Mahindra Luxembourg S.à r.l., Luxembourg:

	March 31, 2021
Shareholding relationship	100 %
Equity in kEUR	35
Result for the year in kEUR	23

Current Assets

Inventory

Inventory comprises only of prepayments to suppliers

Trade receivables and other assets

Trade receivables and other assets comprise as follows:

	As of March 31, 2021	Amounts due after more than 1 year	As of March 31, 2020	Amounts due after more than 1 year
Trade receivables	14,769,041.54 €	0.00 €	18,258,412.32 €	0.00 €
Receivables from affiliated companies	24,678,851.26 €	0.00 €	27,279,868.81 €	0.00 €
Other Assets	1,452,607.16 €	0.00 €	1,032,530.66 €	0.00 €
Total	**40,900,499.96 €**	**0.00 €**	**46,570,811.79 €**	**0.00 €**

Receivables from affiliated companies comprise receivables from shareholders in the amount of kEUR 24,520 (prior year: kEUR 23,941).

Receivables from affiliated companies contain loan receivables in the amount of kEUR 10,387 (previous year: kEUR 16,184), for which an allowance has been setup in the amount of kEUR 10,387 (prior year: kEUR 12,934), due to uncollectability. The remaining receivables from affiliated companies result from trade receivables.

Other assets contain mainly deposits, tax receivables as well as salary and travel expense advance payments to employees.

Subscribed capital

The entity's subscribed capital amounts to kEUR 601 (prior year: kEUR 601) and is fully paid in.

Capital reserve

As part of the merger of LCC Telecom GmbH, Ratingen, as of April 1, 2020 onto the company, based on the merger agreement, the amount of EUR 9,376,528.73, of which the transferred liabilities exceeded the transferred assets, was deducted from the capital reserve.

Provision for pension obligations

The actuarial report to determine the provision for pension obligations considers future salary increases as well as increases in pension benefits. To calculate the pension obligation the mortality tables "Richttafeln 2018 G" by Klaus Heubeck were applied.

The following assumptions were applied to determine the pension obligation as of March 31, 2021:

	March 31,2021	March 31, 2020
Discount rate	2.19 %	2.61 %
Expected wage and salary increases	2.0 %	2.0 %
Expected increase in pension benefits	1.0 %	1.0 %

The provision for pension obligations is calculated in accordance with § 253 (2) HGB (German Commercial Code) using the average market rate of interest for the past ten financial years and a duration of 15 years, which is published by the German Central Bank (Deutsche Bundes Bank).

In the case of the provisions for post-employment benefit obligations, the difference between the amount recognized using the average market rate of interest for the past ten financial years and the amount recognized using the average market rate of interest for the past seven financial years amounts to EUR 15,230 (prior year EUR 21,899) in the current financial year. This amount is restricted from distribution to the shareholder in accordance with § 253 (6) sentence 2 HGB.

All pension obligations are covered by reinsurance policies. Pursuant to § 246 (2) sentence 2 HGB the reinsurance policies have been offset against the pension obligations, as claims against a reinsurance policy that is not accessible to all other creditors and serves exclusively to meet pension obligations:

	March 31, 2021 kEUR	March 31, 2020 kEUR
The fair value of the plan assets	373	397
Pension obligation	495	583
Net amount	122	186

Due to the netting of the pension obligation with the plan assets, expenses for additions to the pension provision in the amount of kEUR 88 were netted with personnel expenses in the amount of kEUR 25 as part of the pension expenses. The fair-value of the plan assets were determined using actuarial valuation methods.

Besides the netted pension obligation, in the prior year, the provision contained also outstanding contributions to the reinsurance policy.

Other Provisions

As in the prior year, other provisions largely contain provisions for outstanding invoices for utilized subcontractor services (kEUR 4,530; prior year kEUR 3,638), provision for outstanding charges from the shareholder (kEUR 4,293; prior year kEUR 4,506).

Obligations for employee commitments comprise obligations for outstanding vacation days, bonus and severance payments amount to kEUR 1,633 (prior year kEUR 2,172).

Liabilities

Remaining maturities are as follows:

	March 31, 2021	Remaining Maturity less than 1 year	Remaining Maturity more than 1 year and less than 5 years	Remaining Maturity more than 5 years
Liabilities to banks	933,583.34 €	933,583.34 €	0.00 €	0.00 €
Trade payables	430,294.10 €	430,294.10 €	0.00 €	0.00 €
Payables to affiliated companies	17,988,634.48 €	17,988,634.48 €	0.00 €	0.00 €
Other liabilities	982,238.29 €	982,238.29 €	0.00 €	0.00 €
Thereof relating to social security and similar obligations	3,810.71 €	3,810.71 €	0.00 €	0.00 €
Thereof relating to taxes	977,442.99 €	977,442.99 €	0.00 €	0.00 €
Total	**20,334,750.21 €**	**20,334,750.21 €**	**0.00 €**	**0.00 €**

	March 31, 2020	Remaining Maturity less than 1 year	Remaining Maturity more than 1 year and less than 5 years	Remaining Maturity more than 5 years
Trade payables	422,034.94 €	422,034.94 €	0.00 €	0.00 €
Payables to affiliated companies	20,328,306.24 €	20,328,306.24 €	0.00 €	0.00 €
Other liabilities	1,280,267.72 €	1,280,267.72 €	0.00 €	0.00 €
Thereof relating to social security and similar obligations	3,750.38 €	3,750.38 €	0.00 €	0.00 €
Thereof relating to taxes	1,271,744.97 €	1,271,744.97 €	0.00 €	0.00 €
Total	**22,030,608.90 €**	**22,030,608.90 €**	**0.00 €**	**0.00 €**

Liabilities to the shareholder amount to kEUR 12,759 (prior year: kEUR 20,298).

Liabilities to affiliated companies result from deliveries and services (kEUR 12,941; prior year: kEUR 20,328) as well as from loans (kEUR 5,048; prior year: kEUR 0).

Other liabilities comprise mainly VAT payables as well as social security contributions and taxes.

Income statement disclosures

Revenue

As in the prior year, revenue mainly relates to income from subcontracting activities relating to the rendering of IT services. They are all generated in Germany. Tech Mahindra GmbH is acting as service agent (“Dienstleistungskommissionär”) as all material chances and risks related to the provided services are located at Tech Mahindra Limited.

Revenues are presented in the amount of actual costs plus a 7 % mark-up, charged to Tech Mahindra Limited. These amounts are presented as receivables from affiliated companies from Tech Mahindra Limited. Invoices charged by Tech Mahindra GmbH to customers locally are presented as trade receivables until they are paid. Corresponding to the trade receivables, liabilities to affiliated companies are recognized.

Further, revenues include rental in the amount of kEUR 29 (prior year: kEUR 48) due to the sublease of not needed office space.

Other operating income

Other operating income mainly includes income from release of allowance for doubtful trade receivables from affiliated companies in the amount of kEUR 2,547 (previous year: kEUR 0) as well as income from exchange rate differences amounting to kEUR 30 (previous year: kEUR 158) and income from settling private use of company cars.

Other operating expenses

Other operating expenses include, in particular, additions to the allowances for doubtful accounts (kEUR 87; prior year: kEUR 13,918) travel and distribution costs (kEUR 242; prior year: kEUR 1,414), legal and consulting costs (kEUR 1,664; prior year: kEUR 1,978) and premises costs (kEUR 2,053; prior year: kEUR 1,796). The high allowance for doubtful receivables in the prior period is mainly a correction of an intercompany loan.

Expenses from currency conversion amount to kEUR 678 (prior year: kEUR 39).

Other Interest and similar income

Other interest and similar income include interest from affiliated companies in amount of kEUR 250 (prior year: kEUR 299). In the prior year, interest on taxes refunds for the years 2010 to 2012 was included in other interest and similar income in the amount of kEUR 161.

Other Interest and similar expenses

Other interest and similar expenses include interest expenses to affiliated companies in amount of kEUR 339 (prior year: kEUR 0) as well as interest charged to the provisions for pensions and similar obligations (kEUR 4; prior year: kEUR 6).

Taxes on income

Income taxes comprise as follows:

	March 31, 2021	March 31, 2020
Current Income tax expenses	(935,920.57) €	(1,600,976.00) €
Tax refund prior years	672,393.07 €	463,261.48 €
Total expenses on Income taxes	**(263,527.50) €**	**(1,137,714.52) €**

Other disclosures

Other financial obligations

The other financial obligations mainly result from office rental contracts an amount up to kEUR 1,396 (prior year: kEUR 1,563) due in the next 12 months and kEUR 1,939 (prior year: kEUR 2,630) for following remaining duration of the agreements.

Employees

In the fiscal year 2020/2021 in average the following number of employees were employed:

Company areas	number of employees
technical consultant	569
sales and support employees	34
Total	**603**

Management and Remuneration of the members of the Management

Managing directors of the company are

- Mr. Aloke Palsikar, Bad Soden, Chief operating Office, till September 21, 2020
- Mr. Mukul Dhyani, Frankfurt am Main, Chief operating Office, since September 21, 2020
- Mr. Abhijeeet Anant Awekar, Milton Keynes/UK, CFO till February 9, 2021
- Mr. Mandar Vasant Bhairavkar, Milton Keynes/UK, CFO since February 9, 2021

As the CFO is been paid by the group company in the UK, no remuneration of the members of the management has been disclosed, with regard to option of § 286 (4) HGB.

Advisory Board

The entity has an advisory board, which is composed of the following two members:

Rajesh Chandiramani, Mumbai/Indien, Tech Mahindra Ltd., Manager

Manish M Vyas, Texas/USA, Tech Mahindra Ltd., Manager

In the reporting year, the members of the advisory board did not receive any remuneration from the entity for their activities.

Events after the balance sheet date

No significant subsequent events after the balance sheet date, which have a significant impact on the income statement and the balance sheet, have been occurred

Auditor's fee

In fiscal 2020/2021 the auditor's fee to KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, in the amount of kEUR 36 (prior year: kEUR 36) were recognized as an expense, which relates exclusively to auditing services.

Group financial statements

TECH MAHINDRA Limited, Pune/India is the sole shareholder of TECH MAHINDRA GmbH.

The Company's financial statements are included in the consolidated financial statements of TECH MAHINDRA Limited, Pune/India. TECH MAHINDRA Limited prepares the consolidated financial statements for the smallest and largest consolidated group in accordance with general accepted accounting standards in India, which are derived from the Inter¬national Financial Reporting Standards (IFRS). In accordance with the options of § 291 HGB, TECH MAHINDAR GmbH does not prepare consolidated financial statements. The published consolidated financial statements of TECH MAHINDRA Limited are available on the company's Internet site at www.techmahindra.com.

Proposal or resolution on the appropriation of net profit

The management is proposing the following appropriation of net profit in agreement with the shareholders:

The profit of kEUR 4,716 will be carried forward and netted with the retained earnings.

Düsseldorf, June 8, 2021

Mukul Dhyani	**Mandar Vasant Bhairavkar**
Managing Director	Managing Director

DEVELOPMENT OF FIXED ASSETS IN THE FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021

	Gross book values					Accumulated depreciation				Net book values	
	1 April 2020	Additions	Reclass	Disposals	31 March 2021	1 April 2020	Additions	Disposals	31 March 2021	31 March 2021	31 March 2020
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
I. Intangible assets											
1. Aquired software	1,391,438.90	0.00	0.00	5,776.09	1,385,662.81	785,344.09	342,225.97	481.25	1,127,088.81	258,574.00	606,094.81
	1,391,438.90	**0.00**	**0.00**	**5,776.09**	**1,385,662.81**	**785,344.09**	**342,225.97**	**481.25**	**1,127,088.81**	**258,574.00**	**606,094.81**
II. Property, plant and equipment											
1. Other equipment, operating and office equipment	4,184,595.38	208,580.47	94,225.82	544,380.94	3,943,020.73	1,389,876.31	765,529.32	46,537.14	2,108,868.49	1,834,152.24	2,794,719.07
2. Prepayments and assets under constructions	0.00	94,225.82	-94,225.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	4,184,595.38	**302,806.29**	**0.00**	**544,380.94**	**3,943,020.73**	**1,389,876.31**	**765,529.32**	**46,537.14**	**2,108,868.49**	**1,834,152.24**	**2,794,719.07**
III. Financial assets											
Shares in affiliated companies	8,356.86	12,000.00	0.00	0.00	20,356.86	0.00	0.00	0.00	0.00	20,356.86	8,356.86
	5,584,391.14	**314,806.29**	**0.00**	**550,157.03**	**5,349,040.40**	**2,175,220.40**	**1,107,755.29**	**47,018.39**	**3,235,957.30**	**2,113,083.10**	**3,409,170.74**

MANAGEMENT REPORT FOR THE FINANCIAL YEAR 1 APRIL 2020 TO 31 MARCH 2021

1 Corporate Profile

1.1 General business activities

TECH MAHINDRA GmbH (as follows: company or TECH MAHINDRA) is a wholly-owned German subsidiary of Tech Mahindra Limited, Pune/India (“TM Ltd.”). It was established in 2001. The company’s business activities are focused on the provision of consultancy technology and rendering outsourcing services in the communications sector.

We generally perform our services on behalf of our parent company within the scope of a service agreement. Our parent company reaches agreements with the customer regarding those business activities. We are a subcontractor to our parent company and are therefore not subject to material risks. Remuneration for our activities is based on the reimbursement of costs incurred plus a mark-up.

Since 2015 we have also concluded a significant number of agreements directly with customers.

1.2 Financial performance measures

TECH MAHINDRA is part of the global Tech Mahindra Limited, Pune/India (“TM Ltd.”) group and its reporting system. The financial performance indicators of the company are revenues as well as result for the year and are described in section 2 and 3 of this report. As there is no break-down of group budgets on company level, the company reviews its financial performance indicators mainly by comparison to prior fiscal years.

1.3 Non-financial performance indicators

We note that the following non-financial performance indicators are important but are not currently used in the direct management of our company.

- **Occupational safety**

The constant and consistent implementation of safety guidelines ensures that the risk of accidents is reduced as far as possible. Occupational safety is the highest principle of management and is more important than the principle of profit maximization.

- **Training Measures**

The nature of our business means that we require highly qualified employees for work on high-tech and telecommunications projects. Training is carried out according to need and is primarily conducted by employees at the Tech Mahindra development centers in India. Training measures are monitored and evaluated by the HR department, an employee’s superior and the employee him- or herself.

2 Report on Economic Conditions and Business

2.1 Development of the overall economy and the industry

The performance of the global economy during the second year of the COVID19 pandemic varies considerably between sectors and regions. Industry is increasingly recovering from its slump in the spring of 2020. Although economic output in Germany was still growing marginally at the end of 2020 a decline is expected for the first quarter of 2021. The economic recovery is likely to resume over the coming months as the pandemic is increasingly contained and restrictions are gradually eased.

The German Council of Economic Experts (GCEE) expects gross domestic product (GDP) in Germany to grow by 3.1 % in 2021. The economic recovery is set to continue apace next year as demand rises worldwide and consumers run down the savings that they have accumulated. The GCEE expects GDP to grow by 4.0 % in 2022. Consumer price inflation is likely to rise temporarily this year especially as a result of higher energy prices and the expiry of the VAT cut to 16% as of December 31, 2020. The GCEE is forecasting that the rate of inflation in Germany will average 2.1 % and 1.9 % in 2021 and 2022, respectively. It expects GDP in the euro area to grow by 4.1 % and 4.2 % in 2021 and 2022, respectively.

After years of robust growth in the past few years, the German economy had thus embarked upon a period of economic boom in 2019, before the beginning of the COVID 19 pandemic. In this economic climate, the ECB’s sustained expansionary monetary policy is partly responsible for a further increase in capacity overutilization in the economy as a whole. With regard to further impacts from the COVID 19 pandemic on the economic environment, we refer to section 4.2 - **Outlook**.

The sector in which our company operates, benefits considerably from increasingly strong digitalization and the continuously high need for investment in IT. Entities know that in order to create sustainable competitiveness, they need to develop digitally within the company or face irrelevance. These challenges also provide opportunities for the global technology industry.

2.2 Report on business

2.2.1 Development of revenue

As our revenues are mainly based on reimbursement of costs incurred plus a 7 % mark-up (“cost-plus method”) as part of a service agreement, the general economic and industry development have only a limited effect on the business development of our company.

Revenue from the service agreement decreased from kEUR 83,863 to kEUR 75,064 due to lower costs, which have been charged to our parent company. The company records also insignificant rental income in the revenue in the amount of kEUR 29 (prior year kEUR 48) due to the sublease of not needed office space till October 2020.

2.2.2 Investments

In the fiscal year 2020/2021, the company acquired IT - and office - equipment for the locations in Dresden, Leipzig, Mannheim and Munich in the amount of kEUR 303.

2.2.3 Employees

As at March 31, 2021, the Company counts 584 employees (March 31, 2020: 715 employees). Due to the economic impacts of the COVID 19 pandemic, the company and its workers council signed an agreement on April 20, 2020 with regard to the implementation of short-time work at the company. This agreement was designated for a duration of 12 months, but has been extended to December 31, 2021. During the duration of the agreement the company can assign short-time work to its employees if deemed necessary.

The nature of our business demands the employment of highly skilled personnel who participate in high-tech and telecommunication projects. That makes it necessary to employ staff from the TECH MAHINDRA development centers in India.

We also employ qualified staff as well as subcontractors on site. Our employees are working at client companies throughout Germany, including Bonn, Munich, Koblenz, Wolfsburg and Hamburg. Most of our employees have a university degree and several of them have even postgraduate qualifications.

2.2.4 Statement on governance

The regulation for equal allocation of men and women in leading positions of companies and the public sector (“Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspersonen in der Privatwirtschaft und im öffentlichen Dienst”) requires, that the supervisory board and the management sets a target for the quote of women in supervisory board include time limits, in which this target has to be fulfilled.

The resolution of the shareholder and the management is still to be made.

3 Business development

3.1 Results of operations

Under the service agreement concluded with the parent company, TECH MAHINDRA is reimbursed for the cost incurred and receives a mark-up of 7 %, so that TECH MAHINDRA always disposes on constant cash inflows and realizes revenue that more than compensate the costs. In the period for the financial year 2020/2021, the Company reported a net profit of kEUR 4,716, compared to net loss of kEUR 8,956 in the prior year. This profit for the year corresponds to 6.3 % of the total revenue (prior year: -10.7 %). The loss in the prior year was primarily due to additions to doubtful account for intercompany loans (included in intercompany receivables) in the amount of kEUR 12,934. Without the prior year recognition of the allowance in the amount of kEUR 12,934, prior years result would be a profit of kEUR 3,978 (4.7 % of sales).

The cost of materials, which related exclusively to purchased services, totaled kEUR 26,354 (prior year: kEUR 25,155). The materials usage ratio (ratio of cost of materials to revenue) increased from 30.0 % to 35.1 % due to an increased need for purchased services at some projects.

The decline in employee benefits expense from kEUR 46,309 to kEUR 38,467 is mainly due to the lower numbers of employees. The employee benefits expense ratio (ratio of employee benefits expense to revenue) amounts to 51.2 % (prior year: 55.2 %). The lower personnel expenses were partly compensated by higher purchased services.

Other operating expenses decreased significantly from kEUR 21,006 to kEUR 6,772. The decline is notably attributable to the prior year’s provision for doubtful loans given to intercompany amounting to kEUR 12,934. In addition, the company incurred higher exchange losses. Due to the current pandemic situation, there has been a significant reduction in travel and marketing costs as compared to last year.

3.2 Net assets

The equity ratio decreased from 34.4 % to 29.9 % following the decrease of kEUR 4,660 in equity to kEUR 13,188. The decline in equity is mainly due to the decrease of the capital reserve in the amount of kEUR 9,377 due to the merger of an affiliated company, which has been partly compensated by the profit of the year in the amount of kEUR 4,716.

The Company’s assets are dominated by trade receivables as well as receivables from affiliated companies.

Trade receivables decreased from kEUR 18,258 to kEUR 14,769 mainly due an improved receivable management and significant payments collected before the balance sheet date as well as due to lower sales in the current year.

The decline in receivables from affiliated companies from kEUR 27,280 to kEUR 24,679 relates mainly to lower sales.

The variance in cash and cash equivalents as part of the cash funds is presented together with the information on the financial position below.

The lower other accruals as compared to last year were primarily due lower tax provision due to advance tax payments in the current year.

Liabilities to affiliated companies decreased slightly to kEUR 17,989 as compared to kEUR 20,328 of last year due to lower sales.

3.3 Financial situation

As of March 31, 2021, the company’s cash funds (cash-in-hand, bank balances) amounted to kEUR 145 (March 31, 2020: kEUR 1,110). While the operative cash flow increased significantly in current year, the decrease in cash funds relates mainly to the repayment of intercompany loans, which have been transferred to the company as part of the merger, as well as investing in newer expenditures for IT – and office-equipment at the new locations.

The service agreement ensures continuous cash inflow for the financing of current business activities.

3.4 Overall Assessment of the Economic Situation

In the opinion of the management of the company, the business development is generally satisfying. Despite the fact that sales did not rise as forecasted due to the impacts and restrictions of the COVID 19 pandemic, the management is satisfied with the development of sales and the profit for the year considering the current situation.

The company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue and intangible assets. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the company, as at the date of approval of this management report has used internal and external sources of information including economic forecasts. The company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

4 Outlook, risks and opportunities for future development

4.1 Report on risks and opportunities

4.1.1 Risk management

The company has a financial reporting system, which is integrated into the TECH MAHINDRA group reporting structures. This supports the company in the ongoing monitoring and management of business development by means of target, actual and budget comparisons on group level.

As a result of the service agreement described above, the company has constant cash inflows and revenue above the level of its costs. Owing to the agreements that are in place, the company is not subject to significant business risk.

4.1.2 Risks and opportunities for future development

A number of the risks we face relate to the development of offshore services, increased competition and lower revenues as well as lower profits. We are focused on overcoming those risks by continuing to increase our marketing activities, developing clear quality guarantees for existing customers, extending our activities beyond our usual areas of business (e.g. OSS, VAS and networks) and entering new markets.

As risk, we define future developments or events, which have impact on the budgeted results of the company and the group respectively. We classify the risks in economic risks, employee related risks and technology risks. The company is facing the following risks, which are present from risks with highest occurrence and the highest possible impact to the lowest occurrence and lowest financial impact.

- **Economic downturn due to the COVID-19**

Due to the COVID-19 pandemic the global economic trend is slowing down and companies could consider cutting their budgets with regard to investment in the IT infrastructure or to postpone IT - projects.

- **Employee related risks:**

With the evolving IT industry, right skillset and talent is required to respond quickly to the ongoing changes. The inability to cost effective hiring and retaining increased number of professionals with the required skillset is to be consider as a risk.

- **Technology risks:**

The industry has been seeing a shift to disruptive technologies which are continually evolving. This shift, coupled with changes in business models and consumer spending patterns could be a threat to the growth in traditional IT spends and technology obsolescence.

The following opportunities are currently followed by the company:

- **Digitalization Trend**

The COVID-19 pandemic showed a significant need to digitalize processes in companies and further improve the IT infrastructure. The TECH MAHINDRA group provides the necessary services to these companies, which comprises significant business opportunities for the company.

- **Employees**

The company sees a big opportunity, that its recruits also employee in India, which offers more skilled and trained IT – professionals then the limited market in Germany and Europe.

- **Cost advantage**

Due to the possibility to outsource part or complete orders to its shareholder in India, which has a different and lower cost structure, the company has a cost advantage in regard to its competitors.

4.1.3 Overall assessment of the risk and opportunity situation

Despite the COVID-19 pandemic, the overall view of the company's risk and opportunity situation remains essentially unchanged. Currently, there are no risks recognizable, that either alone or in combination with other risks could endanger the continued going concern of the company.

4.2 Outlook

4.2.1 General economic outlook

Due to the economic impact of the COVID-19 pandemic, the German government expects annual average growth in real gross domestic product (GDP) of 3.1 % in the remaining year of 2021, for 2022 a phase of recovery is predicted with a growth of 4 %.

4.2.2 Companies outlook

Taking into account the current order backlog and business situation, we expect revenue increase slightly in the financial year 2021/2022 and the following years, despite the current economic impacts of the COVID-19 pandemic. The company's business will primarily consist of follow-up orders and acquired contracts. We also plan to generate growth by extending our range of services and entering new markets. Profit for the year will increase slightly in comparison to the profit in the current year.

The company has good prospects in the financial year 2021/2022 as we plan to develop additional businesses activities in new areas and segments. We expect the profit/revenue ratio to remain at the same level due to the nature of our business model (cost-plus method). However, increased volumes of business and higher revenue mean that we expect profits to increase in the coming years.

We assume gradual growth in the future since the companies are under cost pressure. We continue to expect demand for outsourcing and offshoring as well as managed service to increase. The introduction of new technologies is often accompanied by a lack of technical skills, which TECH MAHINDRA can provide.

The predicted slightly increase in revenue and profit is based on an increased volume of business, which will result in higher operating costs.

The company has considered the possible effects that may result from COVID-19, a global pandemic, and does as of the date of this report not foresee any impact on its current business plan.

Düsseldorf/Germany, June 8, 2021

Mukul Dhyani	**Mandar Vasant Bhairavkar**
Managing Director	Managing Director

MAD*POW MEDIA SOLUTIONS, LLC

Board of Directors
Mr. Will Powley
Mr. Ritesh Mohan Idnani
Mr. Lakshmanan Chidambaram

Registered Office
27 Congress Street Portsmouth
NH 03801 United States

Bankers
People’s United Bank

Auditors
CKH CPAs and Advisors, LLC

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors

Mad*Pow Media Solutions, LLC

Portsmouth, NH

Management is responsible for the accompanying financial statements of Mad*Pow Media Solutions, LLC (a Limited Liability Company), which comprise the balance sheet as of December 31, 2020, and the related statements of operations and changes in members' equity and cash flows for the 12 months then ended December 31, 2020 and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in Schedules of Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

CKH CPAs and Advisors, LLC
Atlanta, Georgia
March 30, 2021

BALANCE SHEET

AT DECEMBER 31, 2020 and 2019

		2020	2019
Current assets			
Cash and cash equivalents		$ 3,285,623	$ 1,680,589
Accounts receivable, net	3	2,809,968	3,974,971
Due from related parties	6	304,052	105,484
Prepaid state and other taxes		-	28,019
Prepaid expenses and other current assets		220,963	149,431
		6,620,606	5,938,494
Non-current assets			
Right of use asset	5	3,644,421	4,165,810
Property and equipment, net	6	474,761	582,112
		4,119,182	4,747,922
Total Assets		$ 10,739,788	$ 10,686,416
Current liabilities			
Accounts payable		$95,293	210,044
Accrued expenses and other current liabilities		1,247,849	331,394
Unearned revenue		310,774	893,107
Income taxes payable		73,869	-
Lease liability current portion	5	526,621	491,786
Short-term debt and line of credit	7	-	586,416
		2,254,406	2,512,747
Non-current liabilities			
Deferred income tax liabilities	8	80,846	73,374
Lease liability non-current portion	5	3,240,101	3,766,721
		3,320,947	3,840,095
Total liabilities		5,575,353	6,352,842
Commitments and contingencies (Note 9)			
Members' Equity			
Members' equity	9	5,164,435	4,333,574
Total Liabilities and Members' Equity		$ 10,739,788	$ 10,686,416

MAD*POW MEDIA SOLUTIONS, LLC

STATEMENT OF OPERATIONS

FOR YEAR ENDED DECEMBER 31, 2020 and the PERIOD AUGUST 1, 2019 to DECEMBER 31, 2019

	Schedules	**12 months ended December 31, 2020**	5 months ended December 31, 2019
REVENUES:			
Consulting services		**$ 15,908,592**	$ 7,805,264
Conference income		**132,318**	37,377
Total revenues		**16,040,910**	7,842,641
COST OF REVENUES:			
Cost of revenue for consulting service		**9,677,340**	4,731,097
Cost of revenue for conferences		**178,217**	148,239
Total cost of revenues		**9,855,557**	4,879,336
GROSS PROFIT		**6,185,353**	2,963,305
OPERATING EXPENSES:			
Personnel		**2,404,523**	1,079,158
General and administrative	I	**1,689,866**	743,476
Sales and marketing	II	**152,035**	88,230
Depreciation	Note 6	**183,409**	94,397
Total operating expenses		**4,429,833**	2,005,261
OPERATING PROFIT		**1,755,520**	958,044
OTHER EXPENSES			
Interest expense, net		**(4,962)**	9,984
Interest (income)/expense, net		**(4,962)**	9,984
Total other (income)/expenses		**1,760,482**	948,060
INCOME TAX EXPENSE	Note 8	**134,423**	88,435
NET PROFIT		**$ 1,626,059**	$ 859,625

All revenue and profit for the year is generated from continuing operations.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR YEAR ENDED DECEMBER 31, 2020 and the PERIOD AUGUST 1, 2019 to DECEMBER 31, 2019

	Members' Capital	Accumulated Profits	Total Member's Equity
Balance at August 1, 2019	$ 100	$ 3,528,599	$ 3,528,699
Net income for the period	-	859,625	859,625
Members drawings for the period	-	(54,750)	(54,750)
Balance at December 31, 2019	**$ 100**	**$ 4,333,474**	**$ 4,333,574**
Net income for the year	-	1,626,059	1,626,059
Members drawings for the year	-	(795,198)	(795,198)
Balance at December 31, 2020	**$ 100**	**$ 5,164,335**	**$ 5,164,435**

MAD*POW MEDIA SOLUTIONS, LLC

STATEMENT OF CASH FLOWS

FOR YEAR ENDED DECEMBER 31, 2020 and the PERIOD AUGUST 1, 2019 to DECEMBER 31, 2019

		12 months ended December 31, 2020		5 months ended December 31, 2019
Cash flows from operating activities				
Net Income	$	1,626,059	$	859,625
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation		183,409		94,397
Deferred income taxes		7,472		72,752
Lease expense		687,575		286,490
Changes in operating assets and liabilities:				
Accounts receivable, net		1,165,003		(1,351,720)
Due from related parties		(198,568)		(105,484)
State and other taxes		28,019		(5,465)
Prepaid expenses and other current assets		(71,532)		(27,140)
Unearned revenue		(582,333)		627,263
Operating lease payments		(657,971)		(234,992)
Accrued expenses and other current liabilities		916,455		(79,625)
Accounts payable		(114,751)		110,365
Net cash provided by operating activities		3,062,706		246,466
Cash flows from investing activities				
Capital expenditures		(76,058)		(74,197)
Net cash used in investing activities		(76,058)		(74,197)
Cash flows from financing activities				
Members drawings		(795,198)		(54,750)
Proceeds from debt and line of credit		-		550,000
Repayment of debt and line of credit		(586,416)		(22,262)
Net cash provided by financing activities		(1,381,614)		472,988
Net increase in cash		1,605,034		645,257
Cash and cash equivalents at beginning of period		1,680,589		1,035,332
Cash and cash equivalents at December 31	$	3,285,623	$	1,680,589
Supplemental disclosure of cash flow information:				
Cash paid for interest	$	3,425	$	9,984
Cash paid for income taxes	$	81,101	$	22,856

NOTES TO THE FINANCIAL STATEMENTS

AT DECEMBER 31, 2020 and 2019

1. NATURE OF OPERATIONS

Mad*Pow Media Solutions, LLC, “the company” is a consulting business that specializes in providing strategic user-centered design services and digital solutions to a diverse client base across various industries throughout the United States. Digital solutions comprise, but are not limited to, assisting clients with customer research, customer experience strategy and design, behavior change, marketing content strategy, mobile application and website development.

The company was converted from a New Hampshire Limited Liability company to a Delaware Limited liability company on July 29th, 2019. Tech Mahindra (Americas), Inc. acquired 65% of the shares of the company on July 31st, 2019. A further 11.66% was acquired during this year as stipulated by the stipulations of the initial purchase agreement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

B. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

C. REVENUE RECOGNITION

Revenue from consulting services contracts are recognized as the services are performed and the amounts are earned. The Company considers amounts to be earned once evidence of an arrangement has been obtained, services have been provided, fees are fixed or determinable, and collectability is reasonably assured.

The company further generates revenue by hosting conferences and only recognizes this revenue once the event is held.

Revenues from consulting services and conferences, together with all reimbursed costs for out of pocket expenses are presented on the statement of operations, net of allowances or adjustments for agreed changes to reimbursed costs.

D. COST OF REVENUE

This includes all direct costs for employee and contractors consisting of salaries and contract payments, payroll taxes, insurance costs as well as reimbursable costs such as travel, lodging or entertainment.

All costs associated with hosting conferences are capitalized to prepaid expenses and only recognized as cost of sales once the event has taken place.

E. SALES AND MARKETING COSTS

The Company expenses all costs for sales marketing and advertising as and when they are incurred. Sales and marketing costs, including direct advertising costs, for the twelve months ending December 31, 2020 and the five months ended December 31, 2019, were $88,230 and $152,035 respectively. The composition of these costs were detailed in the supplemental schedule II to the financial statements.

F. INCOME TAXES

A multi-member limited liability company is treated as a partnership for federal income tax purposes and is not subject to federal income taxes. The taxable income or loss of the company is included in the individual income tax returns of its members based upon their percentage of ownership. Consequently, no federal tax provision for income taxes is required in the accompanying financial statements.

The company pays state taxes to MA and NH, in addition to the state taxes that it pays on behalf of its members through composite tax returns. Accordingly, there is a state tax provision raised for composite taxes which is included in the financial statements when required.

The company accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with all state jurisdictions where it operates.

G. CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts held by a financial institution in the United States of America. As of December 31, 2020 and 2019, the Company had $3,068,076 and $1,430,589 respectively with financial institutions in excess of the federally insured limit.

H. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 120 days and not subject to offsetting is a strong indicator that the receivable has potentially impaired. Management will critically assess each receivable overdue in excess of 120 days for impairment and then raise an allowance if deemed necessary. Bad debts are written off against the allowance when identified.

I. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

J. PROPERTY AND EQUIPMENT

Computers and equipment are recorded at cost less accumulated depreciation, however the depreciation for this category of assets is provided by applying the double declining balance method for the first three years of use of the asset and the straight-line method of the remaining balance for the following two years.

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method and is generally based on the following useful lives:

- Furniture and fixtures – seven years;
- Software – three years;
- Leasehold improvements – lesser of remaining life of lease (including probable lease extensions) or estimated useful life of equipment.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. When assets are retired or otherwise disposed, the related cost and accumulated depreciation are removed from the appropriate accounts and any resulting gain or loss is reflected in operations.

The Company annually reviews the status of property and equipment held by the Company for any impairment of those assets. Any such impairment would result in a permanent reduction in the recorded value of the asset. No such impairments existed at December 31, 2020.

K. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). Transactions involving related parties are carried out on an arm's length basis.

L. LEASES

The company determines if an arrangement is a lease at inception of the arrangement. These leases are classified as either an operating lease or a finance lease. Based on the evaluation of leases for the period ended December 31, 2020, no leases meet the criteria for classification as a finance lease. Operating leases are capitalized on the balance sheet through a right-of-use ("ROU") asset and a corresponding lease liability. ROU assets represent the company's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease.

Operating leases are included in operating lease ROU assets, current operating lease liabilities, and long-term operating lease liabilities on the balance sheet. Operating lease ROU assets and liabilities are recognized at the commencement date of an arrangement based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made to the lessor prior to lease commencement, less any lease incentives, and initial direct costs incurred. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The company enters into long-term contracts to lease office space in support of company operations and these have all been determined to represent operating leases.

3. ACCOUNTS RECEIVABLE, NET

At December 31, accounts receivable balances were as follows:

	2020	2019
Amounts due for services rendered and billed	**$2,553,989**	$3,902,276
Less: allowance for doubtful accounts	**(199,388)**	(242,733)
Amounts due for services rendered and billed, net	**2,354,601**	3,659,543
Amounts due for services rendered, not billed	**455,367**	315,428
Total accounts receivable, net	**$ 2,809,968**	$ 3,974,971

4. TRANSACTIONS WITH RELATED PARTIES

During the year, the Company had transactions with Tech Mahindra (Americas), Inc.("TMA"). At December 31, the Company had receivables due from TMA as follows:

	2020	2019
Beginning balance	**105,484**	-
Contract revenue - parent company		
Billed income	**1,353,824**	$21,103
Unbilled revenue	**129,880**	84,381
Receipts	**(1,285,136)**	-
Ending balance, due from	**$ 304,052**	$ 105,484

5. OPERATING LEASES

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (Topic 842) "Leases." Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, "Leases." Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. Leases will continue to be classified as either finance or operating.

The company adopted Topic 842 effective August 1, 2019. The most significant effects of Topic 842 were the recognition of right of use assets and of operating lease liabilities. We applied Topic 842 to all leases as of August 1, 2019. In the adoption of Topic 842, we carried forward the assessment from Topic 840 of whether our contracts contain or are leases, the classification of our leases, and remaining lease terms. The standard does not have a significant effect on our consolidated results of operations and cash flows.

On August 31, 2017 the Company entered into a building lease with Invesco IF IV U.S.3,LLC, for business use and occupancy of office space in Boston, Massachusetts. The lease was an extension of an existing lease dated June 8, 2012. The lease was extended beyond December 31, 2019 and is now effective until December 31, 2027. The new lease extension also stipulates the inclusion of additional floor space to that which was stipulated in the original lease. The lease is subject to an annual increase as stipulated in the agreement applied from April 1st, 2020. In addition to the rental payable the company will also be responsible to pay certain recoveries of operational costs and taxes. The company has accounted for this new lease at December 31, 2020 and 2019, in terms of the policies in Note 2L of the accounting policies disclosed above.

On September 5, 2018 the Company entered into a building lease with Wenberry Associates,LLC., for business use and occupancy of office space in Portsmouth, New Hampshire. The lease was an extension of an existing lease dated November 18, 2009. The lease was extended beyond December 31, 2018 and is now effective until December 31, 2023. The lease is subject to an annual increase at a rate equal to the Consumer Price Index for All Urban Consumers, but shall not exceed 3% in any year. In addition to the rental payable the company will also be responsible to pay certain recoveries of operational costs and taxes. The company has accounted for this new lease at December 31, 2020 and 2019, in terms of Note 2L of the accounting policies disclosed above.

Rent expense for all properties rented for the twelve months ended December 31, 2020 and the five months ended December 31, 2019 was $687,575 and $286,490 respectively. The future minimum lease commitments are as follows:

Years ending December 31,	**$**
2021	671,902
2022	685,916
2023	700,015
2024	548,600
2025	559,000
2026	569,400
2027	580,667

6. PROPERTY AND EQUIPMENT, NET

At December 31, property and equipment balances were as follows:

	2020	2019
Computers and equipment	**$ 967,892**	$ 931,016
Furniture	**291,062**	291,062
Leasehold improvements	**614,973**	605,465
Software	**137,385**	179,814
Less: accumulated depreciation	**(1,536,551)**	(1,425,245)
	$ 474,761	$ 582,112

The total depreciation expense recognized for the twelve months ending December 31, 2020 and for the five months ending December 31, 2019 was $183,409 and $94,397 respectively. The depreciation policies followed by the Company are disclosed in Note 2J above.

7. SHORT-TERM DEBT AND LINE OF CREDIT FACILITY

On June 2, 2012, the Company entered into a line of credit agreement for $750,000 with People’s United Bank (the “”Bank””). The line is collateralized by the assets of the Company and the balance outstanding on this line at December 31, 2019 was $550,000 and was fully repaid during the year ended December 31, 2020. Additionally, on August 20, 2015 the Company entered into an term loan agreement with the Bank for an amount of $250,000. The loan is collateralized by the assets of the Company and the balance outstanding at December 31, 2019 was $36,416 and was fully repaid during the year ended December 31, 2020.

	2020	2019
Opening Balance - Line of credit	**$ 550,000**	$ -
Proceeds	**-**	550,000
Interest	**2,957**	9,133
Repayments made	**(552,957)**	(9,133)
Balance at December 31, of outstanding line of credit	**$ -**	$ 550,000
Opening Balance - Term loan	**$ 36,416**	$ 58,677
Interest	**468**	852

	2020	2019
Repayments made	**(36,884)**	(23,113)
Balance at December 31, of outstanding term loan	**$ -**	$ 36,416
Total short term debt and line of credit	**$ -**	$ 586,416

8. INCOME TAXES

The company accounts for state income taxes under the provisions of the FASB ASC 740, Income Taxes, as noted in Note 2F the company does not accounts for Federal Income Taxes.

	2020	2019
Current state income tax expense consists of the following:		
Business enterprise tax	**$ 32,859**	$ 15,683
Other State taxes	**94,092**	-
	$ 126,951	$ 15,683
Deferred income tax (benefit) expense consists of the following:		
State	**$ 7,472**	$ 72,752
	7,472	72,752
Total current and deferred income tax (benefit) expense	**$ 134,423**	$ 88,435
Deferred tax liability consists of the following:		
State	**$(80,846)**	$(73,374)
	$(80,846)	$(73,374)

In the ordinary course of business there are transactions with affiliated companies that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

The Company does not anticipate any amount to be recognized related to the Company's uncertain tax position.

9. MEMBERS' EQUITY

On July 29, 2019, Tech Mahindra (Americas), Inc. ("TMA") entered into an agreement with the members of the Company whereby it acquired 65% of the shares in the company. Under this agreement TMA will purchase the balance of the shares over the next three years and thus purchased an additional 11.66% in the current year. At December 31, 2020 three individuals, resident in the State of New Hampshire ("minority shareholders") continue to hold the remaining minority interest in the Company.

10. COMMITMENTS AND CONTINGENCIES

CONTINGENT LIABILITY

The Company received notice from the State of New Hampshire Department of Revenue and Administration on February 18, 2020 of revised Business Tax Assessments based on the findings of their audit. The Company has subsequently appealed to the notice and are confident that their objection will be successful, however the Company cannot reasonably predict the ultimate outcome. The amount of the additional taxes levied for the fiscal years ending December 31, 2018, 2017 and 2016 were $ 15,017, $ 10,418 and $ 11,175 respectively.

11. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales and terms offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the entity's markets. The contractual terms on invoices issued to customers vary and are payable upon receipt or immediate to within 120 days.

Aging analysis of gross trade receivables, is as follows:

	2020	2019
Less than 30 days	**$ 2,113,691**	$ 3,281,888
Between 30 and 60 days	**160,896**	278,539
Between 60 and 120 days	**80,014**	99,116
More than 120 days (provided for in full)	**199,388**	242,733
	$ 2,553,989	$ 3,902,276

The following are customer concentration for sales for the year ended December 31, 2020 and billed accounts receivable as at December 31, 2020.

Billed Revenue concentration for the 12 months ended December 31, 2020:

	Amount, $	**Concentration**
Customer A	2,462,821	15%
Customer B	1,825,634	11%
Customer C	1,380,800	9%
Customer D	1,353,824	9%
Customer E	1,072,663	7%

Billed accounts receivable concentrations as at December 31, 2020:

	Amount, $	**Concentration**
Customer A	549,306	22%
Customer F	315,974	12%
Customer H	288,312	11%
Customer J	240,919	9%
Customer K	239,885	9%

The following are customer concentration for sales for the five months ended December 31, 2019 and billed accounts receivable as at December 31, 2019.

Billed Revenue concentration for the five months ended December 31, 2019:

	Amount, $	**Concentration**
Customer B	2,267,749	29%
Customer I	910,669	12%
Customer H	609,572	8%
Customer A	493,951	6%
Customer J	475,349	6%

Billed accounts receivable concentrations as at December 31, 2019:

	Amount, $	**Concentration**
Customer B	882,550	23%
Customer L	838,138	21%
Customer A	350,846	9%
Customer H	319,184	8%
Customer M	236,483	6%

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company's floatable interest rate debt are considered reasonable estimates of fair value.

13. EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

The Company sponsored defined contribution plans in which eligible participants may defer a fixed amount or a percentage of their eligible compensation, subject to limitations, pursuant to Section 401(k) of the Internal Revenue Code. The Company made discretionary matching contributions of eligible compensation. Contributions are discretionary and evaluated annually. Aggregate contributions charged to operations, including discretionary amounts, for the five months ending December 31, 2019 was $126,881 and for the twelve months ending December 31, 2020 was $290,644.

14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 30, 2021. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SCHEDULES OF EXPENSES

FOR YEAR ENDED DECEMBER 31, 2020 and the PERIOD AUGUST 1, 2019 to DECEMBER 31, 2019

	$	$
	Year ended December 31, 2020	5 months ended December 31, 2019
Schedule I		
GENERAL AND ADMINISTRATIVE		
Lease expense and other rent	**687,575**	286,490
Professional fees	**159,197**	54,720
Computer and software expenses	**156,195**	58,590
Operational costs on rentals	**77,886**	25,695
Dues and subscriptions	**113,820**	43,737
Bad and doubtful receivables	**98,408**	94,729
Insurance	**83,277**	31,543
Communications	**61,470**	11,473
Office supplies, printing and postage	**50,968**	5,623
Automobile expenses	**31,265**	10,220
Meals and entertainment	**26,288**	23,204
Training and continuing education	**18,643**	14,243
Charitable contributions	**18,070**	17,600
Utilities	**88,597**	14,550
Travel expenses	**9,328**	18,786
Cleaning and janitorial expenses	**8,561**	8,020
Other Taxes	**-**	1,930
Miscellaneous expenses	**318**	22,323
	1,689,866	743,476
Schedule II		
SALES AND MARKETING		
Advertising and promotions	**74,381**	13,704
Office supplies, printing and posting	**41,346**	16,963
Meals and entertainment	**14,551**	41,917
Research and samples	**14,000**	5,833
Travel expenses	**7,757**	9,813
	152,035	88,230

THE CJS SOLUTIONS GROUP, LLC

Board of Managers
Mr. Milind Vasant Kulkarni
Mr. Richard Caplin
Mr. Vivek Satish Agarwal

Registered Office
8880 Freedom Crossing Trail,
Suite 200
Jacksonville Florida
32256

Bankers
BB&T
J.P. Morgan Chase

Auditors
CKH CPAs and Advisors, LLC
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

Board of Directors

The CJS Solutions Group, LLC and Subsidiaries a Florida Limited Liability Company Jacksonville,Florida

We have audited the accompanying consolidated financial statements of The CJS Solutions Group, LLC. and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated balance sheets as of December 31, 2020and the related consolidated statements of operations and comprehensive loss, members' capital and cash flows for the year ended December 31, 2020 and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of December 31, 2020, the results of operations and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

As discussed in Note 8 to the financial statements, the Company has had numerous transactions with the related parties.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidated Supplemental Schedule of Expenses on page 113 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CKH CPAs and Advisors, LLC
Atlanta, Georgia May 14, 2021

CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2020 AND 2019

		2020	2019
Current assets			
Cash and cash equivalents		**$ 8,203,883**	$ 2,722,836
Accounts receivable, net	3	**13,815,181**	44,218,050
Due from related parties	8	**16,801,824**	316,074
Prepaid income tax		**4,199,670**	2,969,841
Prepaid expenses and other current assets		**124,363**	1,294,256
		43,144,921	51,521,057
Non-current assets			
Property and equipment, net	5	**2,026,975**	583,748
Right of use asset		**1,788,623**	82,840-
Capital work in progress		**111,582**	484,631
Deferred income tax asset	4	**6,845,615**	4,946,361
Intangible assets, net	6	**12,736,201**	18,169,534
Goodwill, net	7	**38,405,541**	44,078,820
		59,887,562	67,762,186
Total Assets		**$ 105,059,458**	$ 119,866,991
Current liabilities			
Accounts payable		**1,944,492**	2,612,967
Accrued expenses and other current liabilities		**6,504,673**	8,484,456
Income taxes payable		**6,428,797**	3,983,192
Lease liability current portion		**244,622**	91,615
Due to related parties	8	**36,338**	1,497,090
Short-term debt and line of credit	9	**-**	16,614,161
Total liabilities		**15,158,922**	33,283,481
Non-current liabilities			
Lease liability non-current portion		1,768,965	-
Total liabilities		**16,927,887**	33,283,481
Commitments and contingencies (Note 12 and 13)			
Members' Equity			
Members' equity	10	**88,131,571**	86,583,510
Total Liabilities and Members' Capital		**$ 105,059,458**	$ 119,866,991
See Notes to the Consolidated Financial Statements	3		

THE CJS SOLUTIONS GROUP, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

FOR YEARS ENDED DECEMBER 31, 2020 and 2019

	Schedules	2020	2019
REVENUES		**$112,716,430**	$166,984,166
COST OF REVENUES	**I**	**80,894,068**	133,657,255
GROSS PROFIT		**31,822,362**	33,326,911
OPERATING EXPENSES:			
Personnel		**9,471,890**	14,910,714
General and administrative	**II**	**8,141,484**	8,471,342
Amortization		**11,106,612**	11,106,613
Depreciation	**Note 5**	**839,076**	432,046
Total operating expenses		**29,559,062**	34,920,715
OPERATING PROFIT / (LOSS)		**2,263,300**	(1,593,804)
OTHER INCOME / (EXPENSES)			
Other income		**384,506**	434,488
Interest expense, net		**(872,730)**	(1,004,971)
Foreign currency (loss) / gain		**596,754**	(1,186,671)
Total other income / (expenses)		**108,530**	(1,757,154)
Profit / (loss) before income tax expense		**2,371,830**	(3,350,958)
INCOME TAX EXPENSE	**Note 4**	**(521,027)**	(10,358)
NET PROFIT / (LOSS)		**1,850,803**	(3,361,316)
Other comprehensive gain			
Gain/(Loss) on foreign currency translation		**(302,742)**	1,174,812
Comprehensive Gain / (Loss)		**1,548,061**	(2,186,504)

All revenue and profit for the year is generated from continuing operations.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

FOR YEARS ENDED DECEMBER 31, 2020 and 2019

	Members' Capital	Accumulated Other Comprehensive (Loss)	Accumulated (Deficit)	Total Members' Capital
Balance at December 31, 2018	**$ 99,927,450**	**$ (1,762,028)**	**$ (9,395,408)**	**$ 88,770,014**
Net loss for the period	-	-	(3,361,316)	(3,361,316)
Other comprehensive gain	-	1,174,812	-	1,174,812
Balance at December 31, 2019	**99,927,450**	**(587,216)**	**(12,756,724)**	**86,583,510**
Net loss for the period	-	-	1,850,803	1,850,803
Other comprehensive loss	-	(302,742)	-	(302,742)
Balance at December 31, 2020	**$ 99,927,450**	**$ (889,958)**	**$ (10,905,921)**	**$ 88,131,571**

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR YEARS ENDED DECEMBER 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Net Loss	$ 1,850,803	$ (3,361,316)
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	11,106,612	11,106,613
Depreciation	839,076	432,046
Deferred income tax benefit	(1,899,254)	(2,323,714)
Changes in operating assets and liabilities:		
Accounts receivable, net	30,402,870	11,129,413
Due from related parties	19,553,498	(605,197)
Prepaid income taxes	(1,229,829)	(948,482)
Prepaid expenses and other current assets	1,169,893	496,846
Other receivables	-	-
Right of Use Asset	(2,361,154)	(82,840)
Accrued expenses and other current liabilities	(1,979,783)	818,288
Accounts payable	(668,476)	29,617
Income taxes payable	2,445,605	3,385,470
Net cash provided by operating activities	59,229,861	20,076,744
Cash flows from investing activities		
Capital expenditures	(1,253,883)	(657,993)
Due from related parties	(37,500,000)	-
Net cash used in investing activities	(38,753,883)	(657,993)
Cash flows from financing activities		
Committed loan	(12,614,161)	2,614,161
Lease Liability	1,921,972	91,615
Proceeds from uncommitted loans	37,500,000	56,425,686
Repayment of uncommitted loans	(41,500,000)	(82,425,686)
Net cash provided by/(used in) financing activities	(14,692,189)	(23,294,224)
Effect of exchange rate changes on cash	(302,742)	1,174,812
Net decrease in cash	5,481,047	(2,700,661)
Cash and cash equivalents at beginning of year	2,722,836	5,423,497
Cash and cash equivalents at December 31	$ 8,203,883	$ 2,722,836

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT DECEMBER 31, 2020 and 2019

1. NATURE OF OPERATIONS

The CJS Solutions Group, LLC (the “Parent”) and Subsidiaries (the “Company”) is a consulting firm that specializes in providing resources to plan, manage, build, optimize and generally assist in the implementation of electronic medical records systems (“EMR”) in hospitals and health care systems.

The consolidated financial statements of the Company includes The CJS Solutions Group, LLC d/b/a The HCI Group and its wholly owned subsidiary, HCI Group UK Ltd. (the “Subsidiary”) and its wholly owned subsidiaries, Healthcare Clinical Informatics Ltd., CJS Solutions Group Canada ULC, HCI Group DMCC and HCI Group Australia Pty Ltd. Refer to Note 13 below for details on closure of subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF CONSOLIDATION

The accompanying consolidated financial statements reflect the consolidated results of the Parent and its subsidiaries for the period ended December 31, 2020. All significant intercompany accounts and transactions have been eliminated in consolidation.

B. BASIS OF ACCOUNTING

These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

C. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

D. REVENUE RECOGNITION

Revenue from consulting services contracts is recognized as the services are performed and amounts are earned. The Company considers amounts to be earned once evidence of an arrangement has been obtained, services are provided, fees are fixed or determinable, and collectability is reasonably assured.

Revenues from these services and reimbursed costs for out of pocket expenses are presented on the statement of operations and comprehensive loss, net of allowances or adjustments for agreed changes to reimbursed costs.

E. COST OF REVENUE

Direct costs for employee or contractor placements consists of salaries and contract payments (mainly from hours), payroll taxes, insurance costs as well as reimbursable costs such as travel, lodging or entertainment.

F. ADVERTISING AND MARKETING

The Company expenses all advertising costs as incurred. Sales and Marketing costs incurred for period ended December 31, 2020, was $624,506, and for the period ended December 31, 2019, was $665,082.

G. INCOME TAXES

CJS, was formed as a Limited Liability Company. On May 5, 2017 management elected to have the entity file an income tax return as a corporation.

CJS accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. CJS records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

In accordance with guidance in ASC 740-10-30-27, the Company uses a “separate return” method to allocate current and deferred taxes or benefits to members of the consolidated return group (“TMA and subsidiaries”) by applying ASC 740 to each member as if they were separate tax payers. Under the “separate return” method, the subsidiary is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the Parent.

For the foreign subsidiaries deferred tax assets are only recognized if it is probable that they will be used.

H. CASH

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts held by a financial institution in the United States of America. As of December 31, 2020 and 2019, the Company had

$4,715,019 and $1,302,476 respectively with financial institutions in excess of the federally insured limit.

The Financial Services Compensation Scheme covers small businesses in the United Kingdom that hold deposits at member banks up to £85,000. As of December 31,2020 and 2019 such balances held in the United Kingdom exceeded the insured limits by £1,933,820 ($2,642,202) and £570,360 ($756,722) respectively.

I. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract’s terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company’s specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days and not subject to offsetting is a strong indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

J. UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

K. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided by the straight-line method and is generally based on the following lives:

- Computers and technology peripherals – five years;
- Furniture and fixtures – seven years;
- Leasehold improvements – lesser of remaining life of lease or estimated useful life of equipment.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. When assets are retired or otherwise disposed, the related cost and accumulated depreciation are removed from the appropriate accounts and any resulting gain or loss is reflected in operations.

The Company annually reviews the status of property and equipment held by the Company for any impairment of those assets. Any such impairment would result in a permanent reduction in the recorded value of the asset. No such impairments existed at December 31, 2020 and 2019.

L. FOREIGN EXCHANGE RATES

The Company translates the operations and balances of its foreign subsidiaries into U.S. Dollars. Assets and liabilities are translated into U.S. Dollars at year-end exchange rates. Income and expense items are translated at the average rates of exchange prevailing during the year. Translation adjustments are included in “Other Comprehensive Loss” and “Accumulated Other Comprehensive Loss”. Transactions in currencies other than the functional currency of the related subsidiary are converted at the foreign exchange rate on the date of the transaction. Gains and losses, which result from foreign currency transactions, are included in Other Expenses.

M. GOODWILL

Goodwill resulting from business combinations represents the excess of the fair value of the consideration transferred over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. During 2015, the Company elected the private company accounting alternatives provided in Accounting Standards Update (ASU) 2014-02, Intangibles – Goodwill and Other (Topic 350). Pursuant to these elections, the Company prospectively amortized goodwill on a straight-line basis over a ten-year period. Impairment testing will be performed at the entity level whenever events occur, or circumstances changes, which indicates that the fair value of the Company may be below its carrying amount.

N. IDENTIFIABLE INTANGIBLES

Identifiable definite lived intangibles are stated at fair value as of date of acquisition and are amortized over their estimated useful lives. The Company amortizes customer relationships on a straight-line basis over a six-year period. Under the provisions of (Topic 350) Intangibles - Goodwill and Other, identifiable intangible assets with definite lives are tested for impairment if conditions exist that indicate the asset might be impaired. The impairment assessments made at December 31, 2020 and 2019 did not result in any impairment charges.

O. RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Company conducted business, involving a lease agreement with a provider in which an employee of the Company holds an interest. Transactions involving related parties are carried out on an arm's length basis.

P. LEASES

The company determines if an arrangement is a lease at inception of the arrangement. These leases are classified as either an operating lease or a finance lease. Based on the evaluation of leases for the period ended December 31, 2020, no leases meet the criteria for classification as a finance lease. Operating leases are capitalized on the consolidated balance sheet through a right-of-use ("ROU") asset and a corresponding lease liability. ROU assets represent the company's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease.

Operating leases are included in operating lease ROU assets, current operating lease liabilities, and long-term operating lease liabilities in our consolidated balance sheets. Operating lease ROU assets and liabilities are recognized at the commencement date of an arrangement based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made to the lessor prior to lease commencement, less any lease incentives, and initial direct costs incurred. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The company enters into long-term contracts to lease office space in support of company operations and these have all been determined to represent operating leases.

Q. CAPITAL WORK IN PROGRESS

Capital work-in-progress are costs incurred in the construction of the new corporate office lease space. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and have been transferred to and disclosed under the fixed assets.

3. ACCOUNTS RECEIVABLE, NET

At December 31, 2020 and 2019, accounts receivable balances were as follows:

	2020	2019
Amounts due for services rendered and billed	**$ 12,989,402**	$ 33,840,212
Less: allowance for doubtful accounts	**(1,445,374)**	(89,731)
Amounts due for services rendered and billed, net	**11,544,028**	33,750,481
Amounts due for services rendered, not billed	**2,271,153**	10,467,569
Total accounts receivable, net	**$ 13,815,181**	$ 44,218,050

4. INCOME TAXES

CJS accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes , as described in Note 2G above.

Current income tax (benefit) expense consists of the following:	2020	2019
Federal	**$ 1,747,735**	$ 1,191,404
State	**672,546**	1,142,668
	2,420,281	2,334,072
Deferred income tax (benefit) expense consists of the following:		
Federal	**(1,597,232)**	(1,264,167)
State	**(302,022)**	(1,059,547)
	(1,899,254)	(2,323,714)
Total current and deferred income tax (benefit) expense	**$ 521,027**	$ 10,358

	2020	2019
Deferred tax asset consists of the following:		
Federal	**5,304,851**	3,707,619
State	**1,540,764**	1,238,742
	$ 6,845,615	$ 4,946,361

As of December 31, 2020, CJS had utilized all available federal net operating losses (NOLs) available to be carried forward from prior years. CJS had utilized all available state net operating losses (NOLs) available to be carried forward from prior years. CJS expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

In the ordinary course of business there are many transactions with affiliated companies that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

The Company does not anticipate any amount to be recognized related to the Company's uncertain tax position.

5. PROPERTY AND EQUIPMENT

	2020	2019
At December 31, 2020 and 2019, property and equipment balances were as follows:		
Computer and software	**$2,932,871**	$1,467,052
Furniture and equipment	**98,313**	248,560
Leasehold improvements	**360,248**	24,558
Office equipment	**8,946**	33,276
Less: accumulated depreciation	**(1,373,403)**	(1,189,698)
	$ 2,026,975	$ 583,748

Total depreciation expense for the year ending December 31, 2020 and 2019 was $839,076 and $432,046 respectively. Included in this depreciation amount is the depreciation of the Right-of-use asset relating to operating leases of $440,560 for the year ending December 31, 2020. The depreciation policies followed by the Company are disclosed in Note K.

6. INTANGIBLE ASSETS, NET

	2020	2019
At December 31, 2020 and 2019, intangible asset balances were as follows:		
Customer contract and related relationships	**$ 32,600,000**	$32,600,000
Less: accumulated amortization	**(19,863,799)**	(14,430,466)
	$ 12,736,201	$ 18,169,534

Amortization expense for each of the years ending December 31, 2020 and 2019 was $5,433,333. The amortization policies followed by the Company are described in Note N.

Amortization expense of intangible assets subject to amortization for the three years succeeding December 31, 2020 is as follows:

Years ending December 31,	$
2021	5,433,333
2022	5,433,333
2023	1,869,535
	12,736,201

7. GOODWILL, NET

The changes in the carrying amount of goodwill at December 31, 2020 and 2019 are as follows:

	2020	2019
Goodwill	**$ 59,510,430**	$ 59,510,430
Less: accumulated amortization	**(21,104,889)**	(15,431,610)
	$ 38,405,541	$ 44,078,820

Amortization expense for the years ending December 31, 2020 and 2019 was $5,673,279. The Company reviewed its goodwill as of December 31, 2020 and determined that no impairment of goodwill has occurred. The amortization policies followed by the Company are described in Note M.

Amortization expense of goodwill subject to amortization for the five years succeeding December 31, 2020 and thereafter is as follows:

Years ending December 31,	$
2021	5,673,279
2022	5,673,279
2023	5,673,279
2024	5,673,279
2025	5,673,279
Thereafter	10,039,146
	38,405,541

8. TRANSACTIONS WITH RELATED PARTIES

During the years ending December 31, 2020 and 2019, the Company had transactions with Tech Mahindra (Americas), Inc.("TMA"). At December 31, 2020 and 2019 the Company had payables due (to) from TMA as follows:

	2020	2019
Beginning balance, due (to)	**(1,372,729)**	(2,033,792)
Income from	**102,226**	-
Cost of services	**-**	(14,195)
Expense reimbursement - debit/credit notes	**(1,596,813)**	700,265
Payment made	**3,965,649**	
Loan made	**37,500,000**	-
Receipt from TMA	**(38,634,671)**	(25,007)
Ending balance, due from (to)	**(36,338)**	(1,372,729)
Due from (to) from consists of:		
Amounts due to TMA	**(36,338)**	(2,401,125)
Amounts due from TMA	**-**	1,028,396
	$ (36,338)	$ (1,372,729)

During the years ending December 31, 2020 and 2019, the Company had transactions with Tech Mahindra Limited ("TechM"). At December 31, 2020 and 2019 the Company had payables due (to) from TechM as follows:

	2020	2019
Beginning balance, due (to)	**(122,045)**	(625,374)
Income from	**6,158,162**	693,310
Cost of services	**(88,350)**	-
Expense reimbursement - debit/credit notes	**35,023**	223,471
Payment made	**1,107,095**	-
Receipts from	**(4,088,294)**	(413,452)
Ending balance, due (to) from	**3,001,591**	(122,045)
Due (to) consists of:		
Amounts due to	**(88,350)**	(1,106,137)
Amounts due from	**3,089,941**	984,092
	$ 3,001,591	$ (122,045)

During the years ending December 31, 2020 and 2019, the Company had transactions with Tech Mahindra Arabia Limited ("TechMA"). At December 31, 2020 and 2019 the Company had a receivable due from TechMA as follows:

	2020	2019
Beginning balance, due from	**67,537**	220,741
Expense reimbursement - debit/credit notes	**(4,261)**	4,739
Receipts from	**(63,276)**	(157,943)
Ending balance, due from	**-**	67,537
Due from consists of:		
Amounts due from TechMA company	**-**	-
	-	$ 67,537

During the years ending December 31,2020 and 2019, the Company had transactions with Pulse Clinical Alliances, LLC ("Pulse"). At December 31, 2020 and 2019 the Company had a receivable due from Pulse as follows:

	2020	2019
Beginning balance, due from	**184,729**	652,212
Income from	**296,129**	-
Cost of services	**(230,919)**	-
Expense reimbursement - debit/credit notes	**-**	(467,483)
Payments to/(Receipts from)	**60,663**	-
Ending balance, due from	**310,602**	184,729
Due from consists of:		
Amounts due from Pulse company	**310,602**	184,729
	$ 310,602	$ 184,729

During the years ending December 31, 2020 and 2019, the Company had transactions with Comviva Technologies Ltd ("Comviva"). At December 31, 2020 and 2019 the Company had payables due from Comviva as follows:

	2020	2019
Beginning balance, due from	**63,808**	-
Income from	**546,524**	70,075
Expense reimbursement - debit/credit notes	**(3,228)**	(6,267)
Payment made	**9,495**	-
Receipts from	**(426,968)**	-
Ending balance, due from	**189,631**	63,808
Due from consists of:		
Amounts due to Comviva company	**-**	(6,267)
Amounts due from Comviva company	**189,631**	70,075
	$ 189,631	$ 63,808

During the years ending December 31, 2020 and 2019, the Company had transactions with Lightbridge Communication Coorporation ("LCC"). At March 31, 2020 and December 31, 2019 the Company had payables due (to) from LCC as follows:

	2020	2019
Beginning balance, due from	**(2,316)**	-
Income from	**227,008**	-
Expense reimbursement - debit/credit notes	**-**	(2,316)
Payment made	**2,316**	-
Receipts from	**(32,227,008)**	-
Loans	**45,300,000**	-
Ending balance, due from	**13,300,000**	(2,316)
Due from consists of:		
Amounts due to LCC company	**-**	(2,316)
Amounts due from LCC company	**13,300,000**	-
	$ 13,300,000	$ (2,316)
Total amounts due to related parties	**(36,338)**	(1,497,090)
Total amounts due from related parties	**16,801,824**	$ 316,074
	$ 16,765,486	$ (1,181,016)

9. SHORT-TERM DEBT AND LINE OF CREDIT FACILITY

On December 12, 2018 the Company entered into an uncommitted line of credit with JP Morgan Chase (the "Bank") which is renewed annually. The current maximum borrowing available under this uncommitted line is $37,500,000. The line is collateralized by the assets of the Company and is not committed and is recallable. The balance outstanding on this line of credit at December 31, 2020 was zero and at December 31, 2019 was $4,000,000. Interest accrues at 1) a variable rate equal to the Base Rate plus a margin offered by the Bank and accepted by the undersigned; 2) a floating rate equal to the Eurodollar rate applicable to such loan plus a margin offered by the bank and accepted by the undersigned or a fixed rate as offered per the Bank's discretion to the undersigned and the Company may accept the offered rate. The committed loan facility available at December 31, 2019 has been cancelled by the company as it no longer required. The balance at December 31, 2019 on the loan was $12,614,161.

The loan agreement contains certain restricting covenants. At December 31, 2020 the Company did comply with all covenants as per the loan agreement. Interest expense for years ending December 31, 2020 and 2019 were $822,416 and $190,186 respectively.

	2020	2019
Opening balance of outstanding committed loan	**12,614,161**	41,139,070
Movement of committed loan	**(12,614,161)**	(41,139,070)
Closing balance of outstanding committed loan	**-**	-
Opening balance of outstanding uncommitted loans	**4,000,000**	30,000,000
Proceeds from uncommitted loans	**37,500,000**	56,425,686
Repayment of uncommitted loans	**(41,500,000)**	(82,425,686)
Closing balance of outstanding uncommitted loans	**-**	4,000,000
	-	16,614,161

10. MEMBERS' EQUITY

The Company entered into an Agreement and Plan of Merger with Tech Mahindra HealthCare, LLC on March 6, 2017. Under the terms of the agreement, the Company was merged into a newly created merger subsidiary of Tech Mahindra Health Systems Holdings, LLC with the Company surviving the merger. The closing date of the merger was after the close of business on May 4, 2017. Tech Mahindra Healthcare Systems Holdings, LLC ("Holdco") entered into a Limited Liability Company Agreement of Tech Mahindra Healthcare LLC, dated April 7, 2017, as sole initial member. On May 4, 2017, Tech Mahindra (Americas) Inc. ("TMA"), acquired 84.7% holding in Tech Mahindra Holdco, a Delaware Limited Liability Company. On June 30, 2019 TMA acquired a further 4.07% from the minority holderd this was followed by a further purchase of an additional 4.08% on May 31, 2020 by TMA from the same minority shareholder. At December 31, 2020 TMA has 92.85% interest in the Company. An individual, resident of the State of Florida ("minority shareholder") continues to hold the remaining minority interest in Holdco.

11. EMPLOYEE BENEFITS

The Company has established a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation. Such deferrals accumulate on a tax deferred basis until the employee withdraws the funds. The Company, at its option, may match a portion of the employee's contribution. The Company has elected not to match a portion of employee's contribution at this time.

12. COMMITMENTS AND CONTINGENCIES

Real Estate Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (Topic 842) "Leases." Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, "Leases." Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. Leases will continue to be classified as either finance or operating. The company adopted Topic 842 effective January 1, 2019. The most significant effects of Topic 842 were the recognition of right of use assets and of operating lease liabilities. We applied Topic 842 to all leases as of January 1, 2019. In the adoption of Topic 842, we carried forward the assessment from Topic 840 of whether our contracts contain or are leases, the classification of our leases, and remaining lease terms. The standard does not have a significant effect on our consolidated results of operations and cash flows.

On November 17, 2019 the company's holding company, Tech Mahindra (Americas), Inc. "TMA", has entered into a building lease with NortgateArinso, Inc. for business use and occupancy of office space by CJS Solutions Group ("CJS") in Jacksonville, Florida. The lease commenced on January 31, 2020 and is effective until July 30, 2025. The lease is subject to an annual increase of 3% applied from August 1st, 2020. In addition to the rental payable the company will also be responsible to pay Florida State Sales Tax to the landlord. The company has accounted for this new lease as at December 31, 2020, in terms of the policies set out in Note P of the accounting policies above.

Rent expense for the years ended December 31, 2020 and 2019 was $274,686 and $291,108 respectively. The future minimum lease commitments are as follows:

Years ending December 31,	$
2021	**289,300**
2022	**402,616**
2023	**548,623**
2024	**565,006**
2025	**335,274**

13. LITIGATION AND CONTINGENCIES

The Company is involved in various legal proceedings in the ordinary course of its business. Although management of the Company cannot predict the ultimate outcome of these proceedings excluding the settlement of the below class action with certainty, it believes that the ultimate resolution of the Company's proceedings, including any amounts it may be required to pay in excess of amounts reserved or covered by insurance, will not have a material effect on the Company's financial statements. The Company was named as a defendant in certain class action lawsuits and some pending lawsuits due to prior practices mainly related to overtime payments. The only known, likely and estimable potential liability payable is a settlement payment in the amount of $400,000.

In November 2019 the Company approved to close two insignificant subsidiaries, named HCI Group DMCC & HCI Group UK Limited. Subsequent to the approval there have been minimal activity on remaining assets and liabilities on the records of these abandoned subsidiaries other than the write-off of the intercompany loans due from these subsidiaries. The losses related to the write-offs are eliminated in the consolidation. These entitles were dissolved in January 2020.

On dissolution of HCI Group UK limited, two 100% subsidiaries of that company namely, HCI Group Australia Pty Ltd (Australian entity) & Healthcare Clinical Informatics (UK entity) are now 100% subsidiaries of CJS Solutions Group LLC (US entity).

14. CONCENTRATION OF CREDIT RISK

REVENUE AND ACCOUNTS RECEIVABLE

The majority of the Company's sales are credit sales. The following are customer concentration for sales for the years ended December 31, 2020 and 2019 and billed accounts receivable as at December 31, 2020 and 2019.

Revenue concentration for the year ended December 31, 2020:	**Amount, $**	**Concentration**
Cleveland Clinic Health System	22,641,191	20%
Seattle Children's Hospital	13,852,705	12%
Integris Health	10,553,534	9%
NYC Health & Hospital Corporation	8,848,848	8%
Tech Mahindra Limited	6,158,162	5%

Billed accounts receivable concentrations as at December 31, 2020:	**Amount, $**	**Concentration**
Cleveland Clinic Health System	3,051,607	26%
NYC Health & Hospital Corporation	1,560,032	14%
Mt Sinai Medical Center	1,053,504	9%
Modernizing Medicine	1,045,879	9%
Vancouver Coastal Health	566,441	5%

Revenue concentration for the year ended December 31, 2019:	Amount, $	Concentration
NYC Health & Hospital Corporation	74,959,725	45%
Cleveland Clinic Health System	17,589,232	11%
UCSF	11,033,957	7%
Seattle Children's Hospital	9,141,889	5%
Deaconess Health System	3,925,371	2%

Billed accounts receivable concentrations as at December 31, 2019:	Amount, $	Concentration
NYC Health & Hospital Corporation	12,982,085	38%
Cleveland Clinic Health System	3,791,981	11%
Deaconess Health System	2,714,425	8%
Seattle Children's Hospital	2,531,479	8%
Vancouver Coastal Health	1,499,680	4%

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined under Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1–inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2–inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3–inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

The carrying amounts of cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of the instruments. The carrying amounts of the Company's floatable interest rate debt are considered reasonable estimates of fair value.

16. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 14, 2021. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULE

CONSOLIDATED SUPPLEMENTAL SCHEDULES OF REVENUES AND EXPENSES

FOR YEARS ENDED DECEMBER 31, 2020 and 2019

	2020	2019
	$	$
Schedule I		
COST OF REVENUES		
Consultants compensation	**77,028,047**	105,238,119
Travel and other related expenses	**3,866,021**	28,419,136
	80,894,068	133,657,255
Schedule II		
GENERAL AND ADMINISTRATIVE		
Bad debt expenses	**2,282,760**	(55,718)
Sales and other indirect taxes	**1,282,993**	(369,410)
Office expenses	**1,152,011**	1,114,886
Professional fees	**1,074,615**	3,887,235
Travel	**755,234**	1,083,808
Sales and marketing	**624,506**	665,082
Miscellaneous	**436,807**	528,815
Insurance	**176,424**	168,575
Communications	**109,102**	252,676
Postage and delivery	**86,930**	171,487
Repairs and maintenance	**46,862**	33,621
Bank charges	**40,801**	66,442
Entertainment	**39,376**	420,005
Lease expense and other rent	**18,404**	358,480
Dues and subscriptions	**14,659**	145,358
	8,141,484	**8,471,342**

OBJECTWISE CONSULTING GROUP INC.

Board of Directors
Mr. Lakshmanan Chidambaram
Mr. Guru Prasad Iyengar
Mr. Amit Sood

Registered Office
36 Toronto Street, Suite 530
Toronto, ON M5C 2C5 Canada

Bankers
TD Bank Canada
HSBC Bank Canada

BALANCE SHEET 31-MAR-21

Amount in CAD

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS:			
Current assets:			
Cash and cash equivalents		957,908	1,351,908
Accounts receivable, net	3	1,061,307	801,787
Due from parent company	4	665,833	-
Prepaid expenses and other current assets		185,781	(667)
Total current assets		**2,870,829**	**2,153,028**
Property and equipment, net	6	17,837	20,138
Other assets:			
Intangible assets, net	7	1,258,393	1,538,035
Goodwill, net		352,673	352,673
Other Non Current Assets		17,189	17,189
Other receivables		-	-
Total other assets		**1,646,092**	**1,928,035**
Total Assets		**4,516,921**	**4,081,063**
LIABILITIES AND MEMBER'S EQUITY :			
Current liabilities:			
Accounts payable		2,504,038	1,888,133
Accrued expenses and other current liabilities		4,572	61,999
Due to parent company		-	-
Total current liabilities		**2,508,610**	**1,950,132**
Member's equity		2,397,598	2,255,373
Retained Earnings		(389,287)	(124,444)
Accumulated other comprehensive loss		-	-
Total Liabilities and Member's Equity		**4,516,921**	**4,081,063**

OBJECTWISE CONSULTING GROUP INC.

STATEMENTS OF OPERATIONS

Amount in CAD

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
REVENUES		5,721,206	4,508,738
OTHER INCOME		-	37
COST OF REVENUES		**-**	**-**
GROSS INCOME		**5,721,206**	**4,508,775**
OPERATING EXPENSES:			
Personnel	9	891,073	563,691
General and administrative		4,540,319	3,810,238
Amortization		281,943	142,637
Other expenses	10	85,611	116,654
Total operating expenses		**5,798,946**	**4,633,220**
Operating profit		**(77,740)**	**(124,445)**
INCOME TAX EXPENSE		**-**	**-**
NET INCOME		**-**	**-**

STATEMENTS OF CHANGES IN MEMBER’S EQUITY

	Member's Equity	Retained Earnings	Total Member's Equity
Balance at March 31, 2019	**2,255,373**	**(124,444)**	**2,130,929**
Net income for the year	-	-	-
Balance at March 31, 2020	**2,255,373**	**(124,444)**	**2,130,929**
Net income for the year	266,669	(389,287)	(122,618)
Balance at March 31, 2021	**2,522,042**	**(513,731)**	**2,008,311**

OBJECTWISE CONSULTING GROUP INC.

STATEMENTS OF CASH FLOWS

	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	-	-
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable, net	(259,520)	(801,787)
Due from parent company	(665,833)	-
Due to parent company	-	-
Prepaid expenses and other current assets	(186,448)	667
Intangible Assets, net	279,642	(1,538,035)
Goodwill, net	-	(352,673)
Other receivables	-	(17,189)
Accounts payable, net	615,905	1,888,133
Accrued expenses and other current liabilities	(57,427)	61,999
Net Cash (Utilized in) Provided by Operating Activities	**(273,681)**	**(758,885)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Changes in equity:		
Property and equipment, net	2,301	(20,138)
Member's contribution	(120,317)	2,130,929
Net Cash Provided by Investing Activities	**(120,317)**	**2,110,791**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Used in Financing Activities	**-**	**-**
Net increase in cash and cash equivalents	(393,998)	1,351,906
Cash and cash equivalents, beginning of period	1,351,906	-
Cash and cash equivalents, end of period	**957,908**	**1,351,906**
Supplemental disclosure:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2021

1. NATURE OF OPERATIONS

Objectwise ('OW'), based in Toronto, Canada specializes in enterprise project delivery by offering IT Staff Augmentation & Professional services and PEGA development services.

Key service offerings: Primarily staff augmentation and professional services. Resource skills include Cards & Payment SME, Pega Technology, & Blueprism Robotics.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in Canada (Canadian GAAP). Revenue is recognized based on accrual method of accounting

B. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian Accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

C CASH AND CASH EQUIVALENTS

The Company considers all highly-liquid investments with maturities of three months or less to be cash or cash equivalents.

D ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBTS

Accounts receivable are the amounts owed on invoiced contractual agreements either in process or completed by the Company. Accounts receivable are considered delinquent when payment is not received under terms described within the individual contract's terms.

An allowance for doubtful accounts is provided for those balances considered to be uncollectible based upon historical experience and the Company's specific review of outstanding account balances. Company policy is that accounts overdue in excess of 365 days is an indicator that the receivable has potentially impaired. Bad debts are written off against the allowance when identified.

E UNBILLED RECEIVABLES

Unbilled receivables represent accrued revenue earned and recognized on projects for which billings have not yet been presented to the customer.

F RELATED PARTIES

All companies within the Group are considered to be related parties. Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party in making financial and operational decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise).

3 ACCOUNTS RECEIVABLE, NET

At March 31, 2021 and 2020, accounts receivable balances were as follows:

	March 31, 2021	**March 31, 2020**
Amounts due for services rendered and billed	1,061,307	801,787
Less: allowance for doubtful accounts	-	-
Amounts due for services rendered and billed, net	1,061,307	801,787
Amounts due for services rendered, not billed		
Total accounts receivable, net	**1,061,307**	**801,787**

4 TRANSACTIONS WITH PARENT COMPANY

During the period ended March 31, 2021 and 2020, the Company had transactions with Tech Mahindra Ltd.("TML"). At March 31, 2021 and 2020 the Company had payables due to TML as follows:

	March 31, 2021	March 31, 2020
Beginning balance, due to		
Cost of services from TML		
Reimbursements		
Payments to parent company		
Revenue from TML		
Ending balance, due to	**-**	**-**
Due (to) consists of:		
Amounts due to TML		
Amounts due from TML	(665,833)	-
	(665,833)	**-**

Amounts due to and receivable from TML are interest free and payable on demand.

5 LITIGATION AND CONTINGENCIES

The Company is not involved in any legal proceedings in the ordinary course of its business.

6 PROPERTY AND EQUIPMENT

	March 31, 2021	March 31, 2020
Computer and software	10,409	10,409
Furniture and Fixures	12,544	12,544
Accumulated Depreciation	(5,116)	(2,815)
	17,837	**20,138**

7 INTANGIBLE ASSETS ACQUIRED THROUGH BUSINESS ACQUISITIONS

	March 31, 2021	March 31, 2020
Customer Relationships	1,677,856	1,677,856
Accumulated Amortization	(419,463)	(139,821)
	1,258,393	**1,538,035**

8 SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 31, 2021. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

9 PERSONNEL EXPENSES

	March 31, 2021	March 31, 2020
Salaries and Wages, including contribution to PF & Other Funds	890,872	563,118
Staff Welfare Expenses	201	573
	891,073	**563,691**

10 OTHER EXPENSES

	March 31, 2021	March 31, 2020
Rent	23,909	57,375
Travelling and Communication Expenses	1,025	1,453
Recruitment Expenses	1,211	3,889
Legal & Professional Expenses	19,077	10,000
Insurance Charges	25,579	25,143
Software, Hardware & Project specific Expenses	11,074	15,645
Miscellaneous Expenses	3,736	3,149
	85,611	**116,654**

TECH MAHINDRA (SINGAPORE) PTE. LIMITED

Board of Directors
Mr. Manish Goenka
Mr. Ayush Keshan
Mr. Hrishikesh Mahesh Pandit

Registered Office
No. 17, Changi Business Park,
Central 1 #06-01,
Honeywell Building,
Singapore 486073

Bankers
HSBC Bank

Auditors
KPMG LLP

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2021.

In our opinion:

(a) the financial statements set out on pages 125 to 150 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, with continuing financial support from ultimate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Manish Goenka

Ayush Keshan

Hrishikesh Mahesh Pandit

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	**Holdings at beginning of the year**	**Holdings at end of the year**
Ultimate holding company		
Tech Mahindra Limited		
(Ordinary shares of Indian Rupees 5 each)		
Hrishikesh Mahesh Pandit	23	703
Ayush Keshan	114	1,114

Share options to subscribe for ordinary shares		
Manish Goenka	36,000	36,000
Ayush Keshan	3,950	10,900
Hrishikesh Mahesh Pandit	6,000	5,100

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued ordinary shares of the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Manish Goenka
Director

Ayush Keshan
Director

Place: Singapore
Date: June 23, 2021

INDEPENDENT AUDITORS' REPORT

Member of the Company

Tech Mahindra (Singapore) Pte. Limited

Report on the audit of the financial statements

We have audited the financial statements of Tech Mahindra (Singapore) Pte. Limited ('the Company'), which comprise the statement of financial position as at 31 March 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 125 to 150.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, 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 controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
Date : 23 June,2021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021	2020
		$	$
Assets			
Plant and equipment	4	10,989	17,932
Intangible assets	5	–	–
Investment in a subsidiary	6	161,235,025	112,633,477
Deferred tax assets	7	1,270,290	719,003
Non-current assets		**162,516,304**	**113,370,412**
Trade receivables	8	483,555	3,710,152
Contract assets	9	17,700	48,061
Other receivables and prepayments	10	1,654,863	408,483
Cash and cash equivalents	11	557,453	3,004,417
Current assets		**2,713,571**	**7,171,113**
Total assets		**165,229,875**	**120,541,525**
Equity			
Share capital	12	150,248,087	80,289,980
Accumulated profits		961,061	5,303,239
Total equity		**151,209,148**	**85,593,219**
Liabilities			
Other payables	13	7,010,029	–
Provisions	14	86,769	110,700
Non-current liabilities		**7,096,798**	**110,700**
Trade payables	15	2,310,795	1,595,428
Other payables	13	4,411,513	32,745,141
Provisions	14	164,790	206,762
Income tax payables		36,831	290,275
Current liabilities		**6,923,929**	**34,837,606**
Total liabilities		**14,020,727**	**34,948,306**
Total equity and liabilities		**165,229,875**	**120,541,525**

The accompanying notes form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		$	$
Revenue	16	4,596,616	8,662,366
Other operating income	17	60,120	149,398
Employee benefits expense		(3,306,815)	(4,517,677)
Depreciation expense	4	(9,943)	(25,527)
Finance cost	6	–	(515,290)
Other operating expenses	18	(4,411,712)	(4,555,015)
Fair value loss on earnout consideration	6	(1,797,589)	–
Loss before tax	19	**(4,869,323)**	**(801,745)**
Tax credit	20	527,145	157,284
Loss for the year/Total comprehensive loss for the year		**(4,342,178)**	**(644,461)**

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

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2021

	Share capital	Accumulated profits	Total
	$	**$**	**$**
At 1 April 2019	50,000	5,947,700	5,997,700
Total comprehensive income for the year			
Loss for the year	–	(644,461)	(644,461)
Total comprehensive income for the year	**–**	**(644,461)**	**(644,461)**
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Issuance of share capital (note 12)	80,239,980	–	80,239,980
Total transactions with owners	**80,239,980**	**–**	**80,239,980**
At 31 March 2020	**80,289,980**	**5,303,239**	**85,593,219**
At 1 April 2020	80,289,980	5,303,239	85,593,219
Total comprehensive income for the year			
Loss for the year	–	(4,342,178)	(4,342,178)
Total comprehensive loss	**–**	**(4,342,178)**	**(4,342,178)**
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Issuance of share capital (note 12)	69,958,107	–	69,958,107
Total transactions with owners	**69,958,107**	**–**	**69,958,107**
At 31 March 2021	**150,248,087**	**961,061**	**151,209,148**

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		$	$
Cash flows from operating activities			
Loss before tax		(4,869,323)	(801,745)
Adjustments for:			
Impairment loss on trade receivables	8	22,657	1,479,460
Impairment loss on other receivables	10	26,402	–
Impairment loss on loan to a related company	10	3,314,303	1,506,830
Depreciation expense	4	9,943	25,527
Interest income		(45,688)	(41,664)
Finance cost	6	–	515,290
Fair value loss on earnout consideration	6	1,797,589	–
		255,883	**2,683,698**
Changes in:			
-trade receivables		3,203,940	(1,137,371)
-other receivables and prepayments		(4,587,085)	(332,559)
-contract assets		30,361	98,189
-trade payables		715,367	(1,240,753)
-other payables		(218,193)	(434,095)
-provisions		(65,903)	7,383
Cash used in operations		**(665,630)**	**(355,508)**
Tax paid		(277,586)	(230,933)
Net cash used in operating activities		**(943,216)**	**(586,441)**
Cash flows from investing activities			
Purchase of plant and equipment	4	(3,000)	(20,520)
Interest received		45,688	38,363
Investments in subsidiaries	A	(71,504,543)	(80,498,971)
Net cash used in investing activities		**(71,461,855)**	**(80,481,128)**
Cash flow from financing activities			
Proceeds from issuance of share capital	12	69,958,107	80,239,980
Proceeds of loan from a related company	6	–	84,072,000
Repayment of loan to a related company	6	–	(84,072,000)
Finance cost paid	6	–	(515,290)
Net cash from financing activities		**69,958,107**	**79,724,690**
Net decrease in cash and cash equivalents		**(2,446,964)**	**(1,342,879)**
Cash and cash equivalents at beginning of year		3,004,417	4,347,296
Cash and cash equivalents at end of year	11	**557,453**	**3,004,417**

Note A:

The cash outflow on Company's acquisition of subsidiaries during the financial year comprised:

	Note	2021	2020
		$	$
Acquisition of Born Group Pte Ltd	6(A)	33,932,095	80,498,971
Acquisition of Tenzing Limited	6(B)	28,299,158	–
Acquisition of Momenton Pty Limited	6(C)	9,273,290	–
Consideration settled in cash, representing cash outflow on acquisition		**71,504,543**	**80,498,971**

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on June June 23 ,2021.

1 Domicile and activities

Tech Mahindra (Singapore) Pte. Limited ('the Company') is incorporated in the Republic of Singapore. The address of the Company's registered office is 17, Changi Business Park Central 1, #06-01 Honeywell Building, Singapore 486073.

The principal activities of the Company are that providing consultancy and services relating to information technology and development of software solutions and products.

The Company is a wholly owned subsidiary of Tech Mahindra Limited, incorporated in India, which is also the ultimate holding company.

2 Basis of preparation

2.1 Going concern

The Company incurred a net loss of $4,342,178 (2020: $644,461) in the financial year ended 31 March 2021 and as at the date, the Company was in net current liabilities of $4,210,358 (2020: $27,666,493). Notwithstanding these, the financial statements of the Company have been prepared on a going concern basis, as the ultimate holding company, i.e. Tech Mahindra Limited, has undertaken to provide continuing financial support to the Company for at least 12 months from the date of this report, to enable it to continue its operations and meet its liabilities as and when they fall due. Management has assessed that the ultimate holding company has the ability to provide the financial support.

2.2 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ('FRS').

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.4 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 6 – measurement of recoverable amounts of investment in subsidiaries
- Note 8, 10 and 22 – measurement of expected credit loss (ECL) allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2.6 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2020:

- Amendments to References to Conceptual Framework in FRS Standards
- Definition of a Business (Amendments to FRS 103)
- Definition of Material (Amendments to FRS 1 and FRS 8)
- Interest Rate Benchmark Reform (Amendments to FRS 109, FRS 39 and FRS 107)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements which addresses changes in accounting policies.

3.1 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

3.2 Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

Consolidated financial statements for the Company and its subsidiaries have not been prepared as the Company is itself a wholly-owned subsidiary of Tech Mahindra Limited, which publishes consolidated financial statements which are available for public use. The registered address of Tech Mahindra Limited is Gateway Building, Apollo Bunder, Mumbai 400001.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
    - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
    - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Land is not depreciated.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Equipment 3 years
- Leasehold improvements 3 years or over the remaining term of lease period

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The estimated useful life has been taken as follows:

- Software 5 years

Intangible assets are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.6 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in FRS 115).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.7 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.8 Revenue

Rendering of services

Revenue from rendering of services in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.9 Finance cost

Finance costs comprise interest expense on borrowings.

3.10 Employment benefits

(i) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Compensated absences (employee leave entitlement)

The Company provides for compensated absences subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or utilisation. The liability is accrued based on the number of days of unutilised leave at each balance sheet date. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the statement of profit and loss in the period in which they occur. The Company also offers a short term benefit in the form of encashment of unutilised accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

3.1 Government grants

A conditional grant related to staff costs is recognised in profit or loss as a deduction of staff costs. Grants for expenses are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as a deduction against expenses on a systematic basis in the same periods in which the expenses are recognised.

3.12 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- FRS 117 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to FRS 1)
- Covid-19-Related Rent Concessions (Amendment to FRS 116)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to FRS 110 and FRS 28)
- Reference to the Conceptual Framework (Amendments to FRS 103)
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)
- Annual Improvements to FRS(I)s 2018 – 2020

4 Plant and equipment

	Equipment	Leasehold improvements	Total
Cost			
At 1 April 2019	496,360	236,032	732,392
Additions	20,520	–	20,520
At 31 March 2020	516,880	236,032	752,912
Additions	3,000	–	3,000
At 31 March 2021	**519,880**	**236,032**	**755,912**
Accumulated depreciation			
At 1 April 2019	473,421	236,032	709,453
Depreciation for the year	25,527	–	25,527
At 31 March 2020	498,948	236,032	734,980
Depreciation for the year	9,943	–	9,943
At 31 March 2021	**508,891**	**236,032**	**744,923**
Carrying amounts			
At 1 April 2019	22,939	–	22,939
At 31 March 2020	**17,932**	**–**	**17,932**
At 31 March 2021	**10,989**	**–**	**10,989**

5 Intangible assets

	Software $
Cost	
At 1 April 2019, 31 March 2020 and 31 March 2021	1,605,978
Accumulated amortisation	
At 1 April 2019, 31 March 2020 and 31 March 2021	1,605,978
Carrying amounts	
At 1 April 2019, 31 March 2020 and 31 March 2021	–

6 Investment in a subsidiary

	2021 $	2020 $
Unquoted, equity investments at cost		
At 1 April	112,633,477	–
Addition during the year	48,601,548	112,633,477
At 31 March	161,235,025	112,633,477

The details of subsidiary are as follows:

Name of company	Principal activities	Country of incorporation	Effective equity held by the Company	
			2021	2020
			%	%
Born Group Pte Ltd (Note A)	Content production and commerce solutions services	Singapore	100	100
Tenzing Limited (Note B)	Management consulting, digital transformation & technology services	New Zealand	100	-
Momenton Pty. Limited (Note C)	Digital technology services	Australia	100	-

(A) Acquisition of Born Group Pte Ltd

In previous financial year, the Company acquired 100% stake in Born Group Pte. Limited (Born Group) on 26 November 2019 with a consideration of 112,633,477. Born Group is engaged in providing content production and commerce solutions services across USA, APAC and Europe.

Consideration transferred for the acquisition of Born Group

	2020
	$
Total consideration for 100% equity interest acquired	112,633,477
Less: Earnout consideration recognised as at acquisition date (note 13)	(32,134,506)
Consideration settled in cash, representing cash outflow on acquisition	**80,498,971**

consideration arrangement

As part of the acquisition agreement with the previous shareholders of Born Group, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous shareholders of Born Group based on the audited financial performance of Born Group Pte Ltd for the financial period year ended 31 December 2019. As at the acquisition date and 31 March 2021, the contingent consideration was determined at USD 21,500,000 (approximately $32,134,506) and recognised as “Other payables” (note 13).

Subsequent to acquisition date, Born Group’s actual financial performance exceeded the earnings target and the final settlement of earnout consideration amounting to $33,932,095 was paid to previous shareholders of Born Group in May 2020. The fair value change of earnout consideration resulted in a loss of $1,797,589 (difference between earnout consideration at acquisition date of $32,134,506 and actual earnout consideration of $33,932,095), which has been recognised in the statement of profit and loss.

Finance costs related to the acquisition

For the purpose of acquisition of Born Group, the Company had obtained a loan from its related company, i.e. Tech Mahindra (Americas) Inc on 1 November 2019 amounted to USD 62,000,000 (approximately $84,072,000) and the Company had fully repaid the loan on 10 December 2019. The loan was unsecured and bore interest rate of 2.84%. The interest expenses paid of the loan amounted to $515,290 had been recognised as “Finance costs” for the financial year ended 31 March 2020.

(B) Acquisition of Tenzing Limited

The Company acquired 100% stake in Tenzing Limited (“Tenzing Group”) on 23 October 2020. Tenzing is based in New Zealand and is a Technology Consulting Firm and Tenzing was acquired with a consideration of NZD 41,573,536 (approximately $39,328,258).

Consideration transferred for the acquisition of Tenzing Group

	2021
	$
Total consideration for 100% equity interest acquired	39,328,258
Less: Earnout consideration recognised as at acquisition date (note 13)	(11,029,100)
Consideration settled in cash, representing cash outflow on acquisition	**28,299,158**

Contingent consideration arrangement

As part of the acquisition agreement with the previous shareholders of Tenzing Group, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous shareholders of Tenzing Group based on the audited financial performance of Tenzing Group from the financial period year ended 31 March 2021 to 31 March 2023.

As at the acquisition date and 31 March 2021, the contingent consideration for above was determined at NZD 11,526,536 (approximately $11,029,100) and recognised as "Other payables" (note 13).

(C) Acquisition of Momenton Pty Limited

The Company acquired 100% stake in Momenton Pty. Limited (Momenton Group) in 23 October 2020. Momenton Group is based in Australia and is Digital Enterprise Technology Firm and it was acquired at consideration of AUD 9,005,507 (approximately $9,273,290).

As part of the acquisition agreement with the previous shareholders of Momenton Group, a contingent consideration has been agreed. Additional cash payments shall be payable to the previous shareholders of Momenton Group based on the audited financial performance of Momenton Group from the financial period year ended 31 March 2022 to 31 March 2024. Accordingly, no contingent consideration has been recognised for the financial year ended 31 March 2021.

(D) Impairment loss assessment

Investments in subsidiaries are stated at cost less impairment loss. The Company evaluates whether there is an indicator that an impairment may have occurred. The financial health of and near-term business outlook for the subsidiaries, such as industry performance and operating cash flows are considered. Any significant changes in the business environment and key input to the recoverable amount calculation may be seen as an indicator of impairment. Dividend income from the subsidiaries, under certain circumstances, may also be considered as an indicator of impairment. If any such indicator is present, the Company determines the amount of impairment loss based on the recoverable amount of the investment. The amount of any impairment loss identified is measured as the difference between the investment's or cash generating unit's carrying amount and recoverable amount representing the higher of value in use (VIU) and fair value less cost of disposal (FVLCD). In current and prior financial years, management assessed that there is no impairment loss on the investment in subsidiaries

7 Deferred tax assets

	2021	2020
	$	$
Deferred tax assets	1,270,290	719,003

The following are the deferred tax assets recognised by the Company during the year:

	At 1 April 2019	Recognised in profit/ (loss) (Note 20)	At 31 March 2020	Recognised in profit/ (loss) (Note 20)	At 31 March 2021
	$	$	$	$	$
Deferred tax assets					
Plant and equipment	(3,900)	852	(3,048)	1,180	(1,868)
Trade and other receivables	20,995	506,229	527,224	571,772	1,098,996
Provisions	210,294	(57,210)	153,084	(15,026)	138,058
Others	41,740	3	41,743	(6,639)	35,104
	269,129	**449,874**	**719,003**	**551,287**	**1,270,290**

8 Trade receivables

	2021	2020
	$	$
Third parties	1,691,366	2,306,405
Less: Impairment loss	(1,564,077)	(1,541,420)
	127,289	764,985
Holding company	356,266	2,945,167
	483,555	3,710,152

The movements in credit loss allowance are as follows:

	2021	2020
	$	$
At beginning of year	1,541,420	70,427
Impairment loss recognised in profit or loss during the year	22,657	1,479,460
Written off during the year	–	(8,467)
At end of year	1,564,077	1,541,420

The credit period on services rendered ranges from 30 to 60 days (2020: 30 to 60 days). No interest is charged on the outstanding balance.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment loss for trade receivables are disclosed in Note 22.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables from contracts with customers based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

The Company has considered the possible effects that may result from COVID‑19, a global pandemic, on the carrying amount of trade and other receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

	Expected credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL
	%	$	$
2021			
Not past due	–	8,753	–
Past due more than 30 days	–	37,878	–
Past due 31 – 60 days	–	–	–
Past due 61 – 90 days	–	3,893	–
Past due 91 – 365 days	–	76,765	–
More than 365 days	100	1,564,077	(1,564,077)
		1,691,366	**(1,564,077)**

	Expected credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL
	%	$	$
2020			
Not past due	–	20,887	–
Past due more than 30 days	–	695,714	–
Past due 31 – 60 days	–	17,441	–
Past due 61 – 90 days	–	–	–
Past due 91 – 365 days	–	30,943	–
More than 365 days	100	1,541,420	(1,541,420)
		2,306,405	**(1,541,420)**

9 Contract assets

	2021	2020
	$	$
Unbilled software installation services	**17,700**	**48,061**

Payment for installation of software services is not due from the customer until the installation services are completed and therefore a contract asset is recognised over the period in which the installation services are performed to represent the Company's right to consideration for the services transferred to date.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for contract assets are disclosed in note 22.

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customers' industry. None of the amounts due from customers at the end of the reporting period is past due. Based on the Company's historical credit loss experience with the relevant customers, as well as available forward-looking information, the Company has assessed the expected credit loss rate on contract assets to be insignificant.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

10 Other receivables and prepayments

	2021	2020
	$	$
Advance to employees	79,474	56,394
Less: Impairment loss	(79,474)	(53,072)
Advance to employees (net)	–	3,322
Loan to a related company	4,821,133	1,506,830
Less: Impairment loss on loan to related company	(4,821,133)	(1,506,830)
Loan to a related company (net)	–	–
Other receivables	1,351,058	64
Prepayments	303,805	405,097
	1,654,863	**408,483**

Movement in the credit loss allowance on other receivables and prepayments:

	Note	2021	2020
		$	$
At beginning of year		1,559,902	53,072
Charge to profit or loss	18	3,340,705	1,506,830
At end of year		**4,900,607**	**1,559,902**

Loan to a related company is unsecured and the interest rate on the loan is 1.26% (2020: 2.77%) per annum. The other receivables from fellow subsidiary are unsecured, non-interest bearing and receivable on demand.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for other receivables are disclosed in note 22.

For the purpose of impairment assessment, other receivables is considered to have low credit risk as it is not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for other receivables the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Based on the Company's historical credit loss experience with the relevant counterparties, as well as available forward-looking information, the Company has assessed the expected credit loss rate on other receivables to be insignificant.

Loss allowance for advance to employees and loan to related Company is measured at an amount equal to 12-month expected credit losses. The ECL on advance to employees and loan to related Company is estimated by reference to past default experience and an analysis of the counterparty's current financial position. An allowance has been made for estimated irrecoverable amounts for advance to employees of $79,474 (2020: $53,072) and for loan to a related company of $4,821,133 (2020: $1,506,830).

11 Cash and cash equivalents

	2021	2020
	$	$
Cash at bank	**557,453**	**3,004,417**

12 Share capital

	2021	2020	2021	2020
	Number of shares		$	$
Ordinary shares, with no par value				
At 1 April	8,028,998	5,000	80,289,980	50,000
Issuance of shares	6,995,809	8,023,998	69,958,107	80,239,980
At 31 March	**15,024,807**	**8,028,998**	**150,248,087**	**80,289,980**

During the year, the Company issued 6,995,809 of ordinary shares at $10 per share to the holding company, resulting in increase of share capital by $69,958,107.

Capital management

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of share capital and retained earnings. The Company's overall strategy remains unchanged from prior years.

The Company is not subject to externally imposed capital requirements.

13 Other payables

	2021	2020
	$	$
Accruals	392,442	610,635
Consideration payable	11,029,100	32,134,506
	11,421,542	**32,745,141**
Less: Non-current consideration payable	(7,010,029)	–
	4,411,513	**32,745,141**

The consideration payable relates to the earnout consideration in connection to the acquisition of Tenzing Group (2020: Born Group) (note 6).

Market and liquidity risks

The Company's exposures to currency risk and to liquidity risk related to other payables are disclosed in note 22.

14 Provisions

	2021	2020
	$	$
Provision for unutilised leave	251,559	317,462
Less: Non-current provision for unutilised leave	(86,769)	(110,700)
Current provision for unutilised leave	**164,790**	**206,762**

The Company calculates and records untilised leave (the "Leave Benefit Scheme") for its qualified employees. The amount recognised in the statement of financial position are determined as follows:

	2021	2020
	$	$
Present value of Leave Benefit Scheme	251,559	317,462
Represented by	:	
Current liabilities	164,790	206,762
Non-current liabilities	86,769	110,700
	251,559	**317,462**

Reconciliations of the present value of the Leave Benefit Scheme liabilities are as follows:

	2021	2020
	$	$
At beginning of the year	317,462	310,079
Provisions made during the year	28,105	78,112
Benefits paid	(94,008)	(70,729)
At end of the year	**251,559**	**317,462**

The cost of providing post-employment benefits is calculated by independent actuaries, Willis Tower Watson, using the Projected Unit Credit Method. The actuarial valuation was carried out using the following key assumptions:

	2021	2020
	$	$
Normal retirement age	60 years	60 years
Discount rate	1%	1.20%
Salary escalation rate	2.00% - 4.00%	2.00% - 4.00%
Withdrawal rate	0.1%-50%	0.1%-50%

15 Trade payables

	2021	2020
	$	**$**
Third parties	1,021	26,129
Holding company	2,309,774	1,569,299
	2,310,795	**1,595,428**

The average credit period on trade payables is 30 days (2020: 30 days). No interest is charged on the outstanding balance.

Market and liquidity risks

The Company's exposures to currency risk and to liquidity risk related to trade payables are disclosed in note 22.

16 Revenue

	2021	2020
	$	**$**
Service income – immediate holding company	4,596,616	8,662,366

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Service income – immediate and ultimate holding company

Nature of goods or services	Service agreement with the immediate and ultimate holding company for reimbursement of costs incurred plus a mark-up ("cost-plus method")
When revenue is recognised	Revenue from services are recognised as performance obligation is satisfied over a period of time based on the stage of completion of the contract in case of third party contracts. Revenue from immediate and ultimate holding company is accrued according to the terms of the agreement with the immediate and ultimate holding company based on attributable costs incurred on date of accrual. .
Significant payment terms	Invoices are issued to the customers after the services are performed and are normally payable within 30 days.

Contract balances

The following table provides information about receivables and contract assets from contracts with customers.

	Note	2021	2020
		$	**$**
Trade receivables	8	483,555	3,710,152
Contract assets	9	17,700	48,061

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

	Contract assets	
	2021	**2020**
	$	**$**
Changes in measurement of progress	17,700	48,061
Contract asset reclassified to trade receivables	48,061	146,250

Significant judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of project teams to determine the progress of the contracts and also on past experience of completed projects. The estimated total contract costs is reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Transaction price allocated to the remaining performance obligations

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 March 2021 will be recognised as revenue during the next reporting period.

17 Other operating income

	2021	2020
	$	$
Interest income	45,719	43,930
Write back of sundry payable	14,401	36,860
Others	–	68,608
	60,120	**149,398**

18 Other operating expenses

	Note	2021	2020
		$	$
Impairment loss/(reversal of) allowance on trade receivables	8	22,657	1,479,460
Impairment loss on other receivables	10	26,402	–
Impairment loss on loan to a related company	10	3,314,303	1,506,830
Conveyance expenses		–	55,100
Entertainment expense		39,788	81,912
Insurance		139,015	104,126
Professional fees		156,967	83,379
Travelling		49,351	348,643
Telecommunication		38,323	35,373
Hardware/Software billable cost		233,138	527,213
Others		391,768	332,979
		4,411,712	**4,555,015**

19 (Loss)/Profit before tax

This has been arrived at after (crediting)/charging:

	Note	2021	2020
		$	$
Interest expenses on loan from a related company	6	–	515,520
Employee benefits expense (including directors):			
- Salaries and bonuses		3,197,685	4,370,199
- Contributions to defined contribution plans		109,130	147,478

20 Tax credit

	Note	2021	2020
		$	$
Current tax expense			
Current year		24,142	292,590
Deferred tax credit			
Origination and reversal of temporary differences	7	(551,287)	(449,874)
Total tax (credit)/expense		(527,145)	(157,284)

	2021	2020
	$	$
Reconciliation of effective tax rate		
(Loss)/Profit before tax	(4,869,323)	(801,745)
Tax calculated using the Singapore tax rate of 17% (2020: 17%)	(827,785)	(136,297)
Effect of tax concessions	(10,001)	(17,425)
Tax effect of non-deductible items	334,940	6,902
Tax effect of non-taxable items	(24,299)	(10,464)
	(527,145)	**(157,284)**

21 Related party transactions

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and key executives are considered as key management personnel of the Company.

	2021	2020
	$	$
Compensation of directors		
Short-term benefits	150,304	137,200

The remuneration disclosed above include only directors as there is no personnel other than directors who are considered to be members of key management of the Company.

Other related party transactions

	Note	2021	2020
		$	$
Ultimate holding company			
Consultancy fee charged		724,343	1,363,428
Administrative service income	16	(4,596,616)	(8,662,366)

21 Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties.

At the end of the reporting period, 74% (2020: 79%) of the trade receivables are due from holding company. The risk management process includes assessing corresponding credit standing and monitoring of collections.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Company's maximum exposure to credit risk.

Further details of credit risks on trade receivables, contract assets and other receivables are disclosed in Notes 8, 9 and 10 to the financial statements.

The Company places its cash with reputable financial institutions. The cash and cash equivalents are held with bank and financial institution counterparties with high credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivable: Lifetime ECL – not credit impaired Other receivables: 12-month ECL
Doubtful	Amount is more than 1 year past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is more than 1 year past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit assessment	12-motnh or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount
				$	$	$
2021						
Trade receivables from third parties	8	(i)	Lifetime ECL (simplified approach)	1,691,366	(1,564,077)	127,289
Trade receivables from holding company	8	(i)	Lifetime ECL (simplified approach)	356,266	–	356,266
Contract assets	9	(i)	Lifetime ECL (simplified approach)	17,700	–	17,700
Loan to related company	10	(i)	12-month ECL	4,821,133	(4,821,133)	–
Other receivables	10	Performing	12-month ECL	1,430,532	(79,474)	1,351,058

	Note	Internal credit assessment	12-motnh or lifetime ECL	Gross carrying amount (i)	Loss allowance	Net carrying amount
				$	$	$
2019						
Trade receivables from third parties	8	(i)	Lifetime ECL (simplified approach)	2,306,405	(1,541,420)	764,985
Trade receivables from holding company	8	(i)	Lifetime ECL (simplified approach)	2,945,167	–	2,945,167
Contract assets	9	(i)	Lifetime ECL (simplified approach)	48,061	–	48,061
Loan to related company	10	(i)	12-month ECL	1,506,830	(1,506,830)	–
Other receivables	10	Performing	12-month ECL	56,458	(53,072)	3,386

(i) The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Liquidity risk

Liquidity risk is managed by matching the payment and receipt cycle. The Company's operations are financed mainly through equity and accumulated profits.

The following table summarises the Company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments premised on the earlier of the contractual date or when the Company is expected to pay.

Particulars	Less than 1 year	1 to 5 years	Total
	US$	US$	US$
31 March 2021			
Trade and other payables	6,722,308	7,010,029	13,732,337
31 March 2020			
Trade and other payables	34,340,569	–	34,340,569

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Company does not have any interest bearing financial assets and liabilities except for its fixed deposits and loan to a related company. Fixed deposits and loan to related company are all short-term, hence, with the current interest rate level, any future variations in interest rates will not have a material impact on net profit.

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has very minimal exposure to foreign exchange risk as most transactions are transacted in the functional currency which is in Singapore dollars. The Company does not hedge its exposure to foreign exchange risk as the risk is not expected to be significant.

Accounting classification and fair values

The carrying amounts of the financial assets and financial liabilities (including trade and other receivables, cash and cash equivalents and trade and other payables) recorded in the financial statements at amortised cost approximate their fair values due to the relatively short-term maturity of these financial instruments or re-pricing.

Categories of financial instruments

	Note	2021	2020
		$	$
Financial assets			
Trade receivables	8	483,555	3,710,152
Other receivables*	10	1,351,058	3,386
Cash and cash equivalents	11	557,453	3,004,417
Financial assets at amortised cost		2,392,066	6,717,955
Financial liabilities			
Trade payables	13	2,310,795	1,595,428
Other payables	14	11,421,542	32,745,141
Financial liabilities at amortised cost		13,732,337	34,340,569

* Exclude prepayments

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Board of Directors
Mr. Amitava Ghosh
Mr. Ravi Yallajosula
Mr. Mukesh Sharma

Registered Office
Room 512-1 & 512-2,
No.6 South Zhongguancun Street,
Haidian District, Beijing

Bankers
HSBC Bank Limited

Auditors
Zhong Sheng Jia Hua
Certified Public Accountant
Beijing

DIRECTORS' REPORT

Your directors present their report together with the audited accounts of your company for the year ended December 31, 2020.

Financial Results

For the years ended December 31	**2020 RMB**	2019 RMB
Income	**22,361,639**	21,959,632
Profit/(Loss) before tax	**2,922,120**	2,500,210
Net Profit	**2,679,292**	2,380,631

Review of Operations:

During the year under review, your Company recorded an income of RMB 22,361,639 and Net profit of RMB 2,679,292.

Directors:

Mr. Amitava Ghosh, Mr. Ravi Yellajosula and Mr. Mukesh Sharma are directors of the Company

Outlook for the Current Year:

The Company is optimistic of increasing its business in near future.

Acknowledgments:

Your Directors gratefully acknowledge the co-operation and assistance received from the employees, bankers, State and other Government Authorities and support from the shareholder.

For TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Amitava Ghosh
Chairman

Ravi Yellajosula
Director

Place: Beijing, China
Date : April 9, 2021

AUDIT REPORT

All shareholders of Tech Mahindra (Beijing) IT Services Ltd.:

I. Audit Opinion

We have audited the financial statements of Tech Mahindra (Beijing) IT Services Limited. (hereinafter referred to as "Mahindra Company"), including the balance sheet as at December 31, 2020, the income statement, the cash flow statement and the relevant notes to the financial statements of year 2020.

In our opinion, the attached financial statements were prepared in accordance with the provisions of the accounting standards for enterprises in all major aspects, and fairly reflected the financial situation of Mahindra Company as at December 31, 2020, as well as the operating results and cash flow of the year 2020.

II. Basis of Forming Audit Opinions

We conducted the audit work in accordance with the auditing standards for Chinese Certified Public Accountant. The "Responsibility of Certified Public Accountant for Auditing Financial Statements" part of the audit report further elaborated our responsibilities under these standards. In accordance with the code of ethics for Certified Public Accountant in China, we were independent of Mahindra Company and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained was sufficient and appropriate and provided a basis for issuance of audit opinions.

III. Other Information

The management layer of Mahindra Company (hereinafter referred to as management) was responsible for other information. Other information included information covered in Mahindra Company's 2020 annual report, but not the financial statements and our audit report.

Our audit opinions on the financial statements didn't cover other information, nor did we publish any form of verification conclusions on other information.

In combination with our audit of the financial statements, it was our responsibility to read other information and, in the process, considering whether there was material inconsistency or seemed to be material misstatement between the other information and the financial statements or situation that we learned during the audit.

Based on the work we have performed, we should report the fact if we confirmed that there was a material misstatement in other information. In this respect, we had nothing needed to report.

IV. Responsibilities of Management and Those Charged with Governance

The management was responsible for preparing financial statements in accordance with the provisions of the accounting standards for enterprises to achieve fair reflection and to design, implement and maintain necessary internal control, so as to make the financial statements free from material misstatement caused by fraud or error.

In preparing the financial statements, management was responsible for assessing the continuing business ability of the Mahindra company, disclosing matters related to the continuing business (if applicable), and applying the continuing business assumption, unless management planned to liquidate the Mahindra company, terminate operations or have no other realistic options.

Those Charged with Governance was responsible for supervising the financial reporting process of Mahindra Company.

V. The Responsibility of Certified Public Accountants for Auditing Financial Statements

Our goal was to obtain reasonable assurance on whether the financial statements as a whole were free from material misstatement caused by fraud or error, and to issue an audit report containing audit opinions. Reasonable assurance was a high level of assurance, but it did not guarantee that the audit executed in accordance with the audit standards having a material misstatement can always be found. A misstatement may be caused by fraud or error, and was generally considered to be significant if it was reasonably expected that the misstatement, individually or collectively, may affect the economic decisions made by the users of the financial statements based on the financial statements.

In the process of performing the audit according to the audit standards, we exercised professional judgment and maintained professional skepticism. At the same time, we also carried out the following works.

(1) Identifying and assessing material misstatement risks in financial statements due to fraud or error, designing and implementing audit procedures to address these risks, and obtaining sufficient and appropriate audit evidence as the basis for the issuance of audit opinions. Since fraud may involve collusion, forgery, willful omission, misrepresentation or overriding internal control, the risk of a material misstatement resulting from failure to detect fraud was higher than the risk of a material misstatement resulting from failure to detect error.

(2) Understanding internal controls related to audit to design appropriate audit procedures.

(3) Evaluating the appropriateness of accounting policies adopted by management and the rationality of accounting estimates and relevant disclosures.

(4) Drawing conclusions about the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, a conclusion can be drawn on whether there was significant uncertainty in matters or situations that may lead to significant doubts about the continuing operation ability of Mahindra Company. If we concluded that there was significant uncertainty, as the requirements of the audit standards, we should draw the attention of statement users to the relevant disclosures in the financial statements in the audit report; if the disclosure was insufficient, we should express a non-unqualified opinion. Our conclusions were based on information available as of the audit report date. However, future events or circumstances may cause the unsustainable operation of the Mahindra Company.

(5) Evaluating the overall presentation, structure and content (including disclosure) of the financial statements, and assessing whether the financial statements fairly reflected relevant transactions and events.

We made communication with governance layer on planned audit scope, time arrangement, major audit findings and other matters, including the internal control deficiencies of concern that we identified during the audit.

Beijing Zhong Sheng Jia Hua Certified

Name of CPA:

Public Accountants Co.,Ltd

Name of CPA:

Beijing China

April 9, 2021

BALANCE SHEET (AS OF 31 DECEMBER 2020)

Prepared by Tech Mahindra (Beijing) IT Services Ltd RMB Yuan

Assets	No.	End of period	Beginning of period	Liabilities and Shareholders Equity	No.	End of period	Beginning of period
Current assets				Current liabilities:			
Cash and bank	1	9,863,982.33	4,131,250.62	Short-term loans	37		3,250,000.00
Short-term investment	2			Accounts payable	38	86,697.82	
Dividend receivable	3			Advances on sales	39	1,609,491.09	
Interest receivable	4			Employee benefits payable	40	32,151.21	
Accounts receivable	5	1,550,656.89	3,274,342.29	Staff welfare fund unpaid	41		
Other receivables	6	481,201.74	521,979.64	Dividend unpaid	42		
Prepayments	7	460,197.20	12,458.69	Taxes payable	43	253,340.70	331,311.31
Subsidy receivable	8			Other payables	44	1,723,344.89	2,579,626.02
Inventories	9			Other expenses	45		
Deferred expenses	10			Contingent liabilities	46		
Long-term investment in bonds to be expired within one year	11				47		
Other current assets	12	9,892.70	8,747.76	Long-term liabilities to be expired within one year	48		
Total current assets	13	12,365,930.86	7,948,779.00	Other current liabilities	49		
Long-term investment:	14				50		
Long-term investment in stocks	15			Total current liabilities	51	3,705,025.71	6,160,937.33
Long-term investment in bonds to be expired within one year	16			Long-term liabilities:	52		
Total long-term investment	17			Long-term loans	53		
Fixed assets	18			Bonds payable	54		
Fixed assets,at cost	19	1,737,466.22	1,737,466.22	Long-term accounts payable	55		
Less:Accumulated depreciation	20	1,123,953.83	507,342.01	Specific payable	56		
Fixed assets, net value	21	613,512.39	1,230,124.21	Other long-term liabilities	57		
Less:Provision for devaluation of fixed assets	22			Total long-term liabilities	58		
Fixed assets, net amount	23	613,512.39	1,230,124.21	Deferred taxation:	59		
Construction materials	24			Deferred tax, credit	60		
Construction in progress	25			Total liabilities	61	3,705,025.71	6,160,937.33
Disposal of fixed assets	26				62		
Total fixed assets	27	613,512.39	1,230,124.21	Shareholders' Equity:	63		
Intangible and other assets:	28			Share capital	64	5,574,666.02	3,441,546.02
intangible assets	29			Less:Investment Returned	65		
Long-term prepaid expenses	30	1,498,423.87	2,942,463.33	Paid-up capital (stock)	66	5,574,666.02	3,441,546.02
Other deferred expenses	31			Capital reserve	67	12,639.68	12,639.68
Total intangible and other assets	32	1,498,423.87	2,942,463.33	Surplus reserve	68		
	33			Including: Staff welfare fund	69		
Deferred taxation:	34			Undistributed profit	70	5,185,535.71	2,506,243.51
Deferred taxation, debit	35			Shareholders' Equity:	71	10,772,841.41	5,960,429.21
Total Assets	**36**	**14,477,867.12**	**12,121,366.54**	**Total Liabilities and Shareholders' Equity**	**72**	**14,477,867.12**	**12,121,366.54**

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

INCOME STATEMENT(FOR THE YEAR 2020)

Prepared by Tech Mahindra (Beijing) IT Services Ltd RMB Yuan

Item	No.	Current year cumulative	Last year cumulative
1. Principal operating revenues	**1**	**22,361,639.09**	**21,959,631.84**
Less:operating cost	2		
operating tax and subsidies	3	231,848.30	32,727.37
2. Principal operating profit	**4**	**22,129,790.79**	**21,926,904.47**
Add:Other operating profit	5		
Less:Operating expense	6		
Administration expense	7	18,965,235.16	19,295,201.33
Financial expense	8	244,227.89	160,256.79
3. Operating profit	**9**	**2,920,327.74**	**2,471,446.35**
Add:Investment income	10		
Other income	11	42,569.95	28,981.77
Subsidy income	12		
Non-operating income	13		
Less:Non-operating expense	14	40,777.90	218.56
4. Total profit	**15**	**2,922,119.79**	**2,500,209.56**
Less:Income tax	16	242,827.59	119,578.83
5.Net profit	**17**	**2,679,292.20**	**2,380,630.73**
Six, Net profit	18	2,679,292.20	2,380,630.73
plus one Beginning balance of Retained Earnings	19	2,506,243.51	125,612.78
(two) Surplus to compensate for loss	20		
(three) Other adjustment factor	21		
Seven, Profit available for distribution	22	5,185,535.71	2,506,243.51
Less: (one) statutory surplus reserve	23		
(two) The statutory public welfare fund	24		
(three) Staff bonus and welfare fund	25		
(four) Withdrawal reserve fund	26		
(five) Appropriation of Enterprise Expansion Fund	27		
(six) Profit capitalized on return of investment	28		
(seven) Supplementary current capital	29		
(eight) Single retained profit	30		
(nine)Other	31		
Eight, Distributable profit for investors	32	5,185,535.71	2,506,243.51
Less: Dividend payable on preferred stock	33		
(two) Discretionary surplus reserve	34		
(three) Common stock dividends payable (profits payable)	35		
(four) Transferred to capital (capital stock) common stock dividend	36		
(five) Other	37		
Nine, Undistributed profits	38	5,185,535.71	2,506,243.51
Aong which Annual pre-tax profits after irreparable loss.	39		
Supplementary information	40		
One, sale, disposal or investment sector units proceeds	41		
Two, the loss of natural disasters (loss to "+" to fill a column)	42		
Three, changes in accounting policies influence the profit total amount	43		
Four, change in accounting estimate affects the profit total amount	44		
Five, debt recombination losses (loss to "+" to fill a column)	45		
Six, other non-recurring gains and losses (gains with "+" to fill a column)	46		

CASH FLOW STATEMENT (FOR THE YEAR ENDED DECEMBER 31,2020)

Prepared by Tech Mahindra (Beijing) IT Services Ltd RMB Yuan

Items		No.	Amount
1.	**Cash flows from operating activities**		
	Cash inflow from sale of goods and provision of services	1	25,427,022.81
	Repayment of tax received	2	8,072.21
	Other cash inflow relating to operating activities	3	1,723,565.93
	Total cash inflow	4	27,158,660.95
	Payments for purchase of goods and receipt of services	5	
	Payments to and for staff	6	9,805,761.84
	Taxation paid	7	1,442,084.73
	Other Payments relating to operating activities	8	12,135,508.63
	Total cash outflow	**9**	**23,383,355.20**
	Net cash inflow/outflow generated from operations	10	3,775,305.75
2.	**Cash flow from investing activities**	**11**	
	Cash inflow from retirement of investment	12	
	Cash inflow from profit of investment	13	
	Cash gain of disposal of fixed assets, intangible assets, and other long-term investment	14	
	Other proceeds relating to investment activities	15	
	Total cash inflow	16	
	Purchase of fixed assets, intangible assets and other long-term assets	17	14,311.93
	Cash paid for investment	18	
	Other cash paid relating to investment activities	19	
	Total cash outflow	**20**	**14,311.93**
	Net cash inflow/outflow generated from investment activities	**21**	**-14,311.93**
3.	**Cash flows from financing activities:**	**22**	
	Absorption of investment	23	2,133,120.00
	Borrowings raised	24	
	Other cash inflow relating to financing activities	25	
	Total cash inflow	**26**	**2,133,120.00**
	Borrowings repaid	27	
	Dividend, interest and profit paid	28	168,100.00
	Other cash outflow relating to financing activities	29	
	Total cash outflow	**30**	**168,100.00**
	Net cash inflow/outflow generated from financing activities	**31**	**1,965,020.00**
4.	Influence of fluctuation of echange rate	32	6,717.89
5.	Net increase in cash and cash equivalents	33	5,732,731.71

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Prepared by Tech Mahindra (Beijing) IT Services Ltd RMB Yuan

Supplementary information		No.	Amount
1.	**Adjustment of net profit to cash flows generated from operations:**		
	Net profit	**34**	**2,679,292.20**
	Add:Provision for devaluation of assets	35	
	Depreciation of fixed assets	36	583,346.99
	Amortization of intangible assets	37	
	Amortization of long-term expense	38	1,491,616.22
	Decrease of deferred expenses (Less: increase)	39	
	Increase of pre-paid expense (Less: decrease)	40	
	Loss on disposal of fixed assets, intangible assets and other long-term assets (less: gain)	41	
	Loss on retirement of fixed assets	42	
	Financial expense	43	
	Investment loss (less:investment gain)	44	
	Deferred tax, credit (less: debit)	45	
	Decrease of inventories (less: increase)	46	
	Decrease of receivables in operations (less: increase)	47	1,316,724.79
	Increase of payables in operations (less: decrease)	48	-2,295,674.45
	Others	49	-
	Net cash inflow/outflow generated from operations	50	3,775,305.75
2.	**Investing and financing activities not relating to cash flows**	**51**	
	Capital transferred from liabilities	52	
	Transferable bonds to be expired within one year	53	
	Fixed assets transferred from financing activities	**54**	
3.	**Net increase in cash and cash equivalents**	55	
	Cash and bank balances at end of period	56	9,863,982.33
	Less: Cash and bank balances at beginning of period	57	4,131,250.62
	Cash equivalent at end of period	58	-
	Less: Cash equivalent at beginning of period	59	-
	Net increase in cash and cash equivalents	**60**	**5,732,731.71**

NOTES TO FINANCIAL STATEMENTS 31 DEC. 2020

(The currency are presented in RMB except otherwise stated)

I. The Company's General Profile

As a wholly foreign-owned enterprises, Tech Mahindra (Beijing) IT Services Limited was invested and established by Tech Mahindra Limited. The Company was approved to be established by Beijing Municipal Government according to policy document SWZJZZ[2007]No.05422, obtained Enterprise's Legal Person Registration in the Industry and Commerce Administration Bureau of Beijing on Sep.24, 2007 with the Business License 91110105666903783P.The registered capital of the company is US$2,500,000.00.The Company's registered address is 2201 room, Building 8, No. 25 Ganluyuan nanli, Chaoyang District, Beijing. Legal representative: Mr. Jagdish Mitra.

Scope of Business: Technical services, technical advice, design, development, production and computer networking, telecommunications and electronic technology-related applications; product sales of assets.

II. Basis of Preparation

1 Basis of preparation

The financial statement is prepared under going concern assumption based on the actual transactions taking place which is required by ASBE (Accounting Standards for Business Enterprise) and its application guidelines, explanatory notes and other relevant regulations issued by the Ministry of Finance of PRC.

According to the relevant rules in the ASBE, accounting measurement of our company is based on accrual basis. This financial statement use historical cost as the measurement basis, except for the financial assets. If impairment is taking place, our company will account for the impairment according to relevant rules.

2 Going concern

This financial statement is presented under going concern assumption, our company has the ability to operate continuously at least 12 months from balance sheet date.

III. Compliance of Accounting Standards of Business Enterprises

The financial statements prepared by the Company are subject to requirements from the Accounting Standards and present fairly the Company's financial position, operation results, cash flow and other related information.

IV. Significant Accounting Policies and Accounting Estimates

1. Accounting period

The accounting period of the Company is from 1 January to 31 December.

2. Operating period

Normal operating period is the period from acquiring asset for processing to the realization of cash and cash equivalent. Our company use 12 months as an operating period and use this as a standard to categorize the liquidity of asset and liability.

3. Book-keeping Currency

The company's financial records and the financial statements are stated in Renminbi.

4. The categorization standard of cash and cash equivalent

Cash and cash equivalent in our company include cash, cash in bank that can be used at any time and investment we held which is short period, usually 3 months from purchase to maturity, strong liquidity, easy to transfer to any pre-determined amount of cash and low risk of value fluctuation.

5. Foreign exchange translation

(1) The translation method of foreign transaction

The foreign transaction in our company, in initial recognition, should be translated to presentation currency according to the exchange rate on the transaction date, however, the foreign currency exchange or other transactions involved foreign currency exchange business should be translated using actual exchange rate in the transaction.

(2) The translation method involving foreign currency monetary and non-monetary items

At balance sheet date, for foreign currency monetary items, we use exchange rate at balance sheet date, and for the exchange rate differences, we accounted for in profit and loss, except: a. foreign currency borrowing cost related to acquire asset that can be capitalized should be treated under borrowing cost capitalization rules; b. for foreign currency monetary items available for sale, apart from the exchange differences caused by other current amount changes than amortized cost that should be accounted for in other comprehensive income, other differences should also be accounted for in profit and loss

For foreign currency non-monetary items measured by historical cost, we still use presentation currency translated by the exchange rate at transaction date. For foreign currency non-monetary items measured by fair value, we use the exchange rate at the fair value determination date. The differences between the presentation currency after translation and the original presentation currency should be accounted for in profit and loss or other comprehensive income as fair value changes (including exchange rate changes.

(3) Translation method of foreign currency financial statements

When consolidated financial statements involve overseas operation, if the operation is foreign currency monetary items due to net investment in overseas operation, the exchange differences due to exchange rate fluctuation should be accounted for in other comprehensive income as foreign currency financial statements exchange differences; in the case of overseas operation disposal, the differences should be accounted for in the profit and loss

The foreign currency financial statement of overseas operation should be translated to Renminbi financial statements using the following method: for assets and liabilities in the Statement of Financial Position, we use exchange rate at balance sheet date; for shareholder's equity, apart from retained earnings, other items should use the exchange rate at the date when it is happened. For income and expenses items in the income statement, we use weighted average exchange rate at the transaction date. The opening balance of retained earnings is the ending balance of the previous year after translation; the ending balance of retained earnings is presented by calculation under profit distribution items after translation; the differences between total asset and total liability and equity should be accounted for in other comprehensive income as foreign currency financial statements exchange differences. When we dispose of overseas operation and lose control, the foreign currency financial statements exchange differences related to overseas operation presented under shareholder's equity in the Statement of Financial Position should be, all or in proportion according to the percentage of overseas operation disposed of, transferred into profit and loss.

For foreign currency cash flow, we use weighted average exchange rate at the date of cash inflow or outflow to translate and the differences should be presented in the Statement of cash flows as an adjusted item.

The opening balance and the actual amount of the previous period should be presented using the amount after translation of the financial statement of previous period.

When we dispose of all shareholder's equity of overseas operation or lose control due to disposal of partial investment or other reasons, the foreign currency financial statements exchange differences of shareholder's equity belongs to the parent company under shareholder's equity in the Statement of Financial Position should be transferred into profit and loss in full.

When we dispose partial investment or other reason that results of lower percentage of shareholding of overseas operation without losing control, the differences of foreign currency financial statement should be accounted for as minority shareholding rather than profit and loss. When the disposal of overseas operation is partial investment of associate or joint venture, the differences of foreign currency financial statement related to this operation should be transferred into profit and loss in proportion to the percentage of disposal.

6. Financial Instrument

A financial asset or financial liability is recognized when the Company becomes a party to a financial instrument contract.

(1) Classification, confirmation and measurement of financial assets

According to the business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides financial assets into: Financial assets measured at amortized cost. Financial assets measured at fair value with changes included in other comprehensive income. Financial assets that are measured at fair value and whose movements are included in the current profits and losses.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value and whose changes are included in current profits and losses, relevant transaction costs are directly included in current profits and losses. For other types of financial assets, relevant transaction costs are included in the initial recognition amount. Accounts receivable or notes receivable arising from the sale of products or the provision of labor services that do not contain or take into account significant financing components shall be initially recognized by the Company in accordance with the amount of consideration that the Company is expected to be entitled to receive.

Financial assets measured at amortized cost

The Company's business model of managing financial assets measured in amortized cost is aimed at collecting contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements, that is, the cash flow generated on a specific date is only the payment of principal and interest based on the unpaid principal amount. For such financial assets, the Company adopts the effective interest rate method and carries out subsequent measurement according to amortized cost. The profits or losses arising from amortization or impairment are included into the current profits and losses.

Financial assets measured at fair value with changes included in other comprehensive income

The Company's business model for managing such financial assets is to collect and sell contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. The Company measures these financial assets at fair value and their changes are included in other comprehensive income, but impairment loss or gain, exchange gain or loss and interest income calculated according to the effective interest rate method are included into the current profit and loss.

In addition, the Company designates some non tradable equity instrument investments as financial assets measured at fair value with changes included in other comprehensive income. The Company shall record the relevant dividend income of such financial assets into the current profits and losses, and the change of fair value into other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained income and will not be included in current profits and losses.

Fair value through Profit and Loss Financial assets

The Company classifies the above financial assets measured at amortized cost and financial assets measured at fair value with changes included in other comprehensive income into financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company designated part of financial assets as financial assets measured at fair value with changes included in current profit and loss. For such financial assets, the Company adopts fair value for subsequent measurement, and the changes in fair value are included into the current profit and loss.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities upon initial recognition are classified as financial liabilities which are measured at fair value and whose changes are included in current profits and losses and other financial liabilities. For the financial liabilities measured at fair value with the changes included into the current profits and losses, the relevant transaction costs are directly included into the current profits and losses, and the relevant transaction costs of other financial liabilities are included in the initial recognition amount.

Fair value through Profit and Loss Financial liabilities

Financial liabilities measured at fair value with changes included in current profits and losses, which include transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated to be measured at fair value with changes included in current profits and losses at initial recognition.

Trading financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured according to their fair values. Except for those related to hedge accounting, changes in fair values are included in current profits and losses.

Financial liabilities designated to be measured at fair value with changes included in current profits and losses. Changes in the fair value of this liability caused by changes in the Company's own credit risk are included in other comprehensive income. When the liability is derecognized, the accumulated change in fair value caused by changes in its own credit risk included in other comprehensive income is transferred to retained earnings. Changes in fair value are accounted into current profits and losses. If the above-mentioned treatment of the impact of changes in the credit risk of these financial liabilities will cause or expand accounting mismatch in profits and losses, the Company will include all profits or losses of the financial liabilities (including the impact amount of changes in the credit risk of the enterprise itself) into the current profits and losses.

Other financial liabilities

Except for financial liabilities and financial guarantee contracts formed by the transfer of financial assets that do not meet the conditions for termination of recognition or continue to be involved in the transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost and subsequently measured at amortized cost. Gains or losses arising from termination of recognition or amortization are included in current profits and losses.

(3) Basis of Confirmation and Calculation of financial instruments

Financial assets shall be derecognized if they meet one of the following conditions: □ The termination of the contractual right to receive cash flow from the financial asset. □ The financial asset has been transferred, and almost all risks and rewards related to the ownership of the financial asset have been transferred to the transferee. □ The financial asset has been transferred. Although the enterprise has neither transferred nor retained almost all risks and rewards in the ownership of the financial asset, it has given up its control over the financial asset.

If the enterprise neither transfers nor retains almost all the risks and rewards of the ownership of the financial assets, and does not give up the control over the financial assets, the relevant financial assets shall be recognized according to the extent of continuous involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continuous involvement in the transferred financial assets refers to the risk level faced by the enterprise due to the change in the value of the financial assets.

If the overall transfer of financial assets meets the conditions for termination of recognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the accumulated amount of changes in fair value originally included in other comprehensive income shall be included into the current profits and losses.

If the partial transfer of financial assets meets the conditions for termination of recognition, the book value of the transferred financial assets shall be apportioned according to its relative fair value between the derecognized part and the non derecognized part, and the difference between the sum of the consideration received due to the transfer and the accumulated change in fair value originally included in other comprehensive income that shall be apportioned to the derecognized part and the allocated aforesaid book amount shall be included into the current profits and losses.

For financial assets sold by the Company with recourse, or for endorsement and transfer of held financial assets, it is necessary to determine whether almost all risks and rewards in the ownership of the financial assets have been transferred. If almost all risks and rewards in the ownership of the financial asset have been transferred to the transferee, the recognition of the financial asset shall be terminated. If almost all risks and rewards on the ownership of a financial asset are retained, the recognition of the financial asset shall not be terminated. If almost all risks and rewards related to the ownership of financial assets have not been transferred or retained, it shall continue to judge whether the enterprise retains control over the assets and carry out accounting treatment according to the principles mentioned in the preceding paragraphs.

(4) Termination of recognition of financial liabilities

If the current obligation of the financial liability (or part thereof) has been relieved, the Company terminates the recognition of the financial liability (or part thereof). The Company (the borrower) and the lender sign an agreement to replace the original financial liabilities by assuming new financial liabilities. If the contract terms of the new financial liabilities and the original financial liabilities are substantially different, the original financial liabilities shall be derecognized and a new financial liability shall be recognized at the same time. If the Company makes any substantial modification to the contract terms of the original financial liability (or part thereof), the original financial liability shall be derecognized and a new financial liability shall be recognized in accordance with the modified terms.

If financial liabilities (or part thereof) are derecognized, the Company shall include the difference between its book value and the consideration paid (including transferred non-cash assets or liabilities assumed) into the current profits and losses.

(5) Offset of financial assets and financial liabilities

When the Company has the legal right to offset the recognized amount of financial assets and financial liabilities, and such legal right is currently enforceable, and the Company plans to settle the financial assets on a net basis or realize the financial assets and settle the financial liabilities at the same time, the financial assets and financial liabilities are listed in the balance sheet at a net amount after mutual offset. In addition, financial assets and financial liabilities shall be listed separately in the balance sheet and shall not be offset against each other.

(6) The fair value determination method of financial assets and financial liabilities

Fair value refers to the price that market participants can receive from selling an asset or pay to transfer a liability in an orderly transaction on the measurement date. Where there is an active market for financial instruments, the Company adopts quotations in the active market to determine their fair values. Quoted price in active market refers to the price easily obtained from exchanges, brokers, industry associations, pricing service agencies, etc. on a regular basis, and represents the price of market transactions actually occurred in fair trading. If there is no active market for financial instruments, the Company uses evaluation techniques to determine their fair values. Evaluation techniques include reference to prices used in recent market transactions by parties familiar with the situation and willing to trade, reference to current fair values of other financial instruments that are substantially the same, discounting cash flow technique, option pricing model, etc. In valuation, the Company adopts valuation techniques that are applicable under current circumstances and are supported by sufficient available data and other information, selects input values that are consistent with the characteristics of assets or liabilities considered by market participants in transactions related to assets or liabilities, and gives priority to the use of relevant observable input values as much as possible. If the relevant observable input value cannot be obtained or it is not impracticable to obtain it, the non-input value shall be used.

(7) Equity instruments

Equity instruments refer to contracts that can prove ownership of the Company's residual equity in assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of equity instruments by the Company are treated as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Company does not recognize changes in the fair value of equity instruments.

Dividends (including "interest" generated by instruments classified as equity instruments) distributed by the Company's equity instruments during their existence shall be treated as profit distribution.

7. Receivables

Receivables include notes receivables, trade receivables and other receivables, etc.

(1) Standards for confirming doubtful debt

- The death or bankruptcy of the debtor, whose receivables still cannot be recovered after the debt has been paid off by his/her bankruptcy assets or heritage.
- Debt still cannot be recovered after three years of overdue debt owed by the debtor.

(2) The measurement method we use is allowance method.

8. Inventory

(1) Classification of inventory: the inventory of this company includes the raw materials working in progress (WIP) inventory, semi-finished goods, turnover materials, finished goods, commodity stocks, etc.

(2) Valuation method of obtaining and delivering of inventory: the cost of inventory includes purchase cost, processing cost and other costs. FIFO (First In First Out) method should be used to value collection and delivering of the inventory.

(3) Measurement of net realizable value and measurement method of provision of obsolete inventory Net realizable value is the differences between the estimated selling price of the inventory and estimated future cost, selling expenses and relevant taxes. When measuring net realizable value, the foundation is the evidence obtained and take the purpose of holding the inventory and influence of post balance sheet events into consideration.

On balance sheet day, inventory is measured at lower of cost and net realizable value. When net realizable value is lower than cost, provision of obsolete inventory should be presented by the differences between cost and net realizable value of an individual inventory.

When provision is presented, it can be reversed back within the amount of the provision when the factor that influence the provision has disappeared so that net realizable value is higher than its cost, the reversal will be accounted for in the profit and loss.

(4) Inventory system of stock: the stock method of this company's inventory quantity is perpetual inventory system.

(5) The amortization method of low value consumables and packaging materials

Low-value consumables are amortized on a one-off basis/ partial amortization method when they are used; packaging materials are amortized on a one-off basis/ partial amortization method when they are used.

9. Held-for-sale assets

If the book value of a non-current asset or to-be-disposed portfolio is recovered by the Company mainly through sale activities (including the exchange of non-monetary assets with commercial nature, the same below), the non-current asset or to-be-disposed portfolio falls into held-for-sale category. The specific criteria: both of the following conditions shall be satisfied: a non-current asset or to-be-disposed portfolio can be sold immediately under the current conditions based on the practice of selling such asset or to-be-disposed portfolio in similar transactions; the Company has already decided on the sale plan and obtained confirmed purchase commitment; the sale is scheduled to be completed within one year. Among them, a Disposal Portfolio refers to a group of assets that will be disposed of as a whole through sale or other approaches in a transaction, and the liabilities directly associated with these assets transferred along with the assets in transaction. If the portfolio of assets or group of portfolios of assets is allocated goodwill acquired in business merger in accordance with Accounting Standards for Business Enterprises No. 8 - Asset Impairment, the Disposal Portfolio shall include the goodwill allocated to it.

In the event that the book value of a non-current asset or to-be-disposed portfolio that has been designated as held-for-sale category is higher than the net amount of fair value less sales expenses when the non-current asset or to-be-disposed portfolio is initially measured or measured on the balance sheet date, the book value shall be to the net amount of fair value minus sales expenses, and the written-down amount shall be recognized as asset impairment loss and included in current period profit or loss. The provision for impairment loss of the held-for-sale asset shall be accrued. For a Disposal Portfolio, the confirmed impairment loss shall deduct the book value of the goodwill in the Disposal Portfolio, then deduct the book value of the non-current assets determined by the measurement on a pro-rata basis in accordance with the applicable Accounting Standards for Business Enterprises No. 42 held-for-sale non-current assets, Disposal Portfolio and Termination of Operations (hereinafter referred to as the “Guide for Held-For-Sale”). In the event of an increase of the book value of the held-for-sale Disposal Portfolio minus sales expenses on the subsequent the balance sheet date, the amount previously written down shall be recovered and be reversed within the mount of the asset impairment loss recognized in the non-current assets measured by the measurement “Guide for Held-For-Sale” after being classified as held for sale asset, the reversal amount shall be included in the current period profit or loss, and the book value of all non-current assets (except for goodwill) determined by the measurement on a pro-rata basis in accordance with the applicable “Guide for Held-For-Sale” shall be increased on a pro-rata basis. The book value of the goodwill that has been deducted and the impairment loss of the assets recognized before the classification of the held-for-sale non-current assets in accordance with the applicable “Guide for Held-For-Sale” shall not be reversed.

In terms of the held-for-sale non-current assets or non-current assets in Disposal Portfolio, there is no accrual or amortization for depreciation, and the interest from and other expenses from the liabilities in held-for-sale Disposal Portfolio shall still be recognized.

When a non-current asset or Disposal Portfolio no longer meets the conditions for Held-For-Sale category, non-current asset or Disposal Portfolio will no longer be classified as Held-For-Sale category by the Company or the non-current asset will be removed from the Held-For-Sale Disposal Portfolio, and be measured based on one of the following two values, whichever is lower: (1) The book value before being classified as held-for-sale category adjusted based on the depreciation, amortization or impairment that should have be confirmed if it is not classified as held-for-sale category; (2) recoverable amount.

10. Long-term investment

The long-term equity investment refers to in this part refers to the long-term equity investment that the Company has control, joint control or significant influence on the invested entity. The long-term equity investment of the Company that does not have control, joint control or significant impact on the investee shall be accounted as a financial asset measured at fair value with its changes included into the current profits and losses. Among them, if it is non-transactional, the Company may choose to designate it as a financial asset measured at fair value and its changes are included in the accounting of other comprehensive income at the time of initial recognition. For details of its accounting policies, please refer to Note IV, 9 “Financial Instruments”.

Joint control refers to the control that the Company shares with other party/parties for an arrangement in accordance with relevant agreements, and relevant activities of the arrangement can only be decided based on the consensus of all parties sharing the control rights before making a decision. Significant Influence refers to power of the Company to participate in the decision-making of the financial and operating policies of the investee, but the Company cannot control or jointly control the development of these policies with other parties.

(1) Determination of investment cost

For a long-term equity investment obtained from a combination of businesses under the same control, the apportioned share of the book value in the final controller’s consolidated financial statements on the combination date in accordance with the shareholders’ equity shall be the initial investment cost of the long-term equity investment. The capital reserve shall be adjusted subject to the difference between the initial investment cost of the long-term equity investment and the cash paid, the non-cash assets transferred, and the book value of the debts assumed; if the capital reserve is insufficient for offsetting, the retained earnings shall be adjusted. Where the equity securities are issued as merger consideration, the apportioned share of the book value in the final controller's consolidated financial statements on the combination date in accordance with the shareholders' equity shall be the initial investment cost of the long-term equity investment, and the total par value of the issued shares is taken as the share capital. The capital reserve shall be adjusted subject to the difference between the initial investment cost of the long-term equity investment and the total par value of the shares issued; if the capital reserve is insufficient for offsetting, the retained earnings shall be adjusted. Where the equity of combined parties under the same control is obtained through multiple transactions and a business combination under the same control is formed finally, it shall be treated differentially based on whether it is a "package deal": if it belongs to a "package deal", all transactions will be treated as a transaction that obtains control. If it is not a "package deal", the apportioned share of the book value in the final controller's consolidated financial statements on the combination date in accordance with the shareholders' equity shall be the initial investment cost of the long-term equity investment. The capital reserve shall be adjusted subject to the difference between the initial investment cost of the long-term equity investment and the sum of the book value of long-term equity investment before combination date and the book value of the new consideration for the new share on the combination date. If the capital reserve is insufficient for offsetting, the retained earnings shall be adjusted. The equity investments that are held prior to the combination date and are recognized with equity recognized or as available-for-sale financial asset as other comprehensive income will not be given accounting treatment for the moment.

For a long-term equity investment obtained from a combination of businesses not under the same control, the initial investment cost of the long-term equity investment shall be based on the combination cost on the purchase date. The combination cost includes the assets paid by purchaser, the liabilities incurred or assumed, and the sum of the fair value of issued equity securities. Where the equity of combined parties not under the same control is obtained through multiple transactions and a business combination under the same control is formed finally, it shall be treated differentially based on whether it is a "package deal": if it belongs to a "package deal", all transactions will be treated as a transaction that obtains control. If it is not a "package deal", the initial investment cost of the long-term equity investment calculated by the cost method shall be calculated based on the sum of the book value of the equity investment in the original holder and the new investment cost. The original share holding that measured using equity method, the relevant other comprehensive income does temporarily not conduct accounting treatment. Intermediary expenses and other related expenses shall be recognized in current period profit or loss when incurred.

(2) Follow-up measurement and confirmation methods for profit and loss

The Equity Method shall be used to account for long-term equity investments that have joint control over the invested entity (except for those constituting joint operators) or have significant impact on the invested entity. In addition, the company's financial statements use the Cost Method to account for long-term equity investments, which can control the long-term equity investment of the investee.

a. Long-term equity investment based on Cost Method

When accounting with Cost Method, long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted by adding or recovering the investment. Except for the actual payment at the time of obtaining investment or the cash dividends or profits included in the consideration but not yet issued, the current investment income shall be recognized according to the cash dividends or profits declared by the investee.

b. Long-term equity investment accounted for by Equity Method

When accounting with Equity Method, if the initial investment cost of a long-term equity investment is greater than the fair value share of the identifiable net assets of the investee when investing, and the initial investment cost of the long-term equity investment shall not be adjusted; if the initial investment cost is less than the fair value share of the identifiable net assets of the investee when investing, the difference shall be included in the current profit and loss, and the cost of the long-term equity investment shall be adjusted

When accounting with Equity Method, the investment income and other comprehensive income are recognized separately according to the shares of the net profit or loss and other comprehensive income that should be enjoyed or shared, and the book value of the long-term equity investment should be adjusted at the same time. The book value of long-term equity investment is reduced accordingly by calculating the share that should be enjoyed according to the profit or cash dividend declared by the investee. The book value of long-term equity investment shall be adjusted and included in the capital reserve for other changes in the owner's rights and interests of the invested entity other than the net profit and loss, other comprehensive income and profit distribution. When confirming the share of the net profit and loss of the investee, the net profit of the investee shall be adjusted and confirmed on the basis of the fair value of the identifiable assets of the investee at the time of investment. If the accounting policies and periods adopted by the invested entity are inconsistent with the Company, the financial statements of the invested entity shall be adjusted in accordance with the accounting policies and periods of the Company, and the investment income and other comprehensive income shall be confirmed accordingly. For the transactions between the Company and the associates and joint ventures, the assets invested or sold do not constitute a business, and the unrealized gains and losses from internal transactions are offset against the portion of the Company that is attributable to the proportion of the shares, on this basis. investment profit and loss should be confirmed. However, the unrealized internal transaction losses incurred by the Company and the investee are not included in the impairment losses of the transferred assets. Where the assets invested by the Company into a joint venture or an associates constitute a business, if the investor obtains long-term equity investment but does not control, the fair value of the invested business shall be deemed as the initial investment cost of the new long-term equity investment, and the difference between the initial investment cost and the book value of the invested business is fully recognized in the current profits and losses. If the assets sold by the Company to a joint venture or an associate that constitute a business, the difference between the consideration value obtained and the book value of the business shall be fully recognized in the profits and losses of the current period.

When confirming the net loss that incurred by the investee should be shared, the book value of the long-term equity investment and other long-term equity that substantially constitutes the net investment of the investee are reduced to zero. In addition, if the Company has an obligation to bear additional losses to the investee, the estimated liabilities shall be recognized according to the estimated obligations and included in the current investment losses. If the investee achieves net profit in the following period, the Company shall resume recognizing the share of income after making up for the unrecognized share of loss.

For the long-term equity investment in the joint ventures and associates held by the Company for the first time before the implementation of the new accounting standards, if there is a debit balance of equity investments related to the investment, the current profits and losses shall be accounted for by the straight-line amortization of the original remaining period.

c. Acquisition of Minority Equity

In the preparation of the consolidated financial statements, if the difference between the long-term equity investment added by purchasing minority shares and the net assets share that should be continuously calculated by the subsidiary company from the purchase date (or the consolidation date) is calculated according to the proportion of newly added shares, the retained earnings shall be adjusted; and if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

d. Disposal of long-term equity investment

In the consolidated financial statements, the parent company partially of disposes of the long-term equity investment of the subsidiary without losing control, the difference of the corresponding net assets in the subsidiary between the disposal price and the disposal of the long-term equity investment is included in the shareholders' equity. it shall be treated in accordance with the relevant accounting policies described in "Notes on the preparation of consolidated financial statements" in Note IV.5 .

For the disposal of long-term equity investment in other cases, the difference between the book value of the disposed equity and the actual acquisition price shall be included in the current profits and losses.

If the long-term equity investment is accounted for by equity method, the remaining equity after disposal is still accounted for by equity method, when disposing, the other comprehensive income which were originally included in shareholder's rights and interests shall be accounted for on the same basis as the assets or liabilities directly disposed of by the investee. The owner's equity recognized as a result of changes in the owner's equity of the investee other than net profit or loss, other comprehensive income and profit distribution, it should be carried forward to the current profit and loss

For the long-term equity investment accounted by Cost Method, the remaining equity is still accounted by Cost Method after disposal, other comprehensive income that recognized by equity method accounting or financial instrument recognition and measurement criteria accounting before obtaining control over the investee shall be accounted for on the same basis as the assets or liabilities directly disposed of by the investee, and shall be settled to the current profit and loss in proportion. Changes of the net assets of investee in the owner's equity other than net profit or loss, other comprehensive income and profit distribution 's that recognized by equity method shall be settled to the current profit and loss in proportion.

Where the Company loses control over the investee due to disposal of part of its equity investment, when preparing individual financial statements, if the remaining equity after disposal can exercise joint control or exert significant influence on the investee, it shall be accounted for by equity method instead, and the remaining equity shall be adjusted by accounting by equity method when it is deemed to be acquired. If the remaining equity after disposal cannot be jointly controlled or exerts significant influence on the investee, it shall be accounted for according to the relevant provisions of the financial instrument recognition and measurement criteria, and the difference between the fair value and the book value on the date of loss of control. It is included in the current profit and loss. Before the Company obtains control over the investee, other comprehensive income recognized by equity method accounting or financial instrument recognition and measurement criteria is used to directly dispose of the relevant assets with the investee, accounting treatment based on the same basis as the investee directly disposes of related assets or liabilities when the control of the investee is lost, Accounting is treated on the same basis as the liabilities. Changes in the owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee's net assets recognized by the equity method are carried forward to the current profit or loss when the control of the investee is lost. Among them, the remaining equity after disposal is accounted for using the equity method. Where the remaining equity after disposal is accounted for by equity method, other comprehensive income and other owner's equity should be settled by proportion. If the remaining equity is accounted for using financial instrument recognition and measurement standard, all of other comprehensive income and other shareholder's equity should be settled.

If the Company loses its joint control or significant influence on the investee due to the disposal of part of the equity investment, the remaining equity after disposal shall be accounted for according to the financial instrument recognition and measurement criteria, and the difference between the fair value and the book value on the date of loss of joint control or significant influence is recognised in the current profit or loss. The other comprehensive income recognized in the original equity investment by the equity method is accounted for on the same basis as the investee's direct disposal of related assets or liabilities when the equity method is terminated, Owner's equity recognized as a result of changes in other owners' equity other than net profit or loss, other comprehensive income and profit distribution of the investee should be transferred to current investment income when terminating the equity method

The Company disposes of the equity investment in the subsidiaries step by step through multiple transactions until the loss of control. If the above-mentioned transactions are part of a package transaction, the transactions are treated as a transaction dealing with the equity investment of the subsidiary and losing control. The difference between the book value of each long-term equity investment corresponding to the disposal price and the disposal of the equity before loss of control is first recognized as other comprehensive income, and when the control is lost, it is transferred to the current profit and loss of loss of control.

11. Fixed Assets

(1) Confirmation conditions for fixed assets

Fixed Assets refer to tangible assets held for the purpose of producing goods, providing labor services, renting or operating management, and having a service life of more than one fiscal year. Fixed assets are recognized only when the economic benefits associated with them are likely to flow into the Company and their costs can be reliably measured. Fixed assets are initially measured at cost and taking into account the impact of projected abandonment costs.

(2) Categorization of fixed assets

Fixed assets can be divided into Property, Plant and Equipment, Transportation vehicle, Land, Office equipment, Electronic devices, etc.

(3) Initial Measurement of fixed asset

Fixed asset will be measured at historical cost.

(4) Depreciation methods for various types of fixed assets

a . Fixed assets are depreciated over their useful lives using the straight-line method from the month following the scheduled availability. The service life, estimated net residual value and annual depreciation rate of various fixed assets are as follows:

Category	Depreciation Method	Depreciation period (Year)	Residual rate(%)	Annual depreciation rate (%)
Electronic equipment	**straight-line depreciation**	**3**	**5**	**33.37**

b. The estimated net residual value refers to the expected state after the estimated useful life of the fixed assets has expired and is at the end of its useful life. The amount currently obtained by the Company from the disposal of the assets after deducting the estimated disposal expenses.

c. Impairment test method and Impairment provision method for fixed assets

For details of Impairment test method and impairment provision method for fixed assets, please refer to "Long-Term Asset Impairment".

d. Recognition basis and valuation method of fixed assets acquired by finance lease

A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset, and its ownership may or may not be transferred. If it is reasonable to determine the ownership of the leased asset at the expiration of the lease term, the depreciation shall be calculated within the useful life of the leased asset; If it is not reasonable to determine the ownership of the leased asset at the expiration of the lease term, depreciation shall be calculated within a relatively short period of the lease term and the service life of the leased assets.

e. Others

The subsequent expenses related to fixed assets, if the economic benefits related to the fixed assets are likely to flow in and their costs can be reliably measured, are included in the cost of fixed assets and the book value of the replaced part should be terminated. The subsequent expenditures other than mentioned as above are recognized in profit or loss in the period in which they are incurred.

The fixed asset is derecognized when the fixed asset is in disposal or is not expected to generate economic benefits by using or disposal. The difference between the disposal income from the sale, transfer, retirement or damage of the fixed assets less the carrying amount and related taxes is recognized in profit or loss for the current period.

The Company reviews the useful life, estimated net residual value and depreciation method of fixed assets at least at the end of the year, and changes as an accounting estimate if changes occur.

12. Construction in progress

The cost of construction in progress is determined based on actual project expenditure, including various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the expected usable status, and other related expenses. Construction in progress is carried forward to fixed assets when it is ready for its intended use.

For details of the impairment test method and impairment provision method for construction in progress, please refer to "Long-Term Asset Impairment".

13. Intangible Assets

(1) Intangible assets

Intangible assets refer to identifiable non-monetary assets without physical form owned or controlled by the Company.

Intangible assets are initially measured at cost. Expenditure related to intangible assets is included in the cost of intangible assets if the relevant economic benefits are likely to flow to the Company and its costs can be measured reliably. Expenditure on other items other than this is recognised in profit and loss when incurred.

The acquired land use rights are usually accounted for as intangible assets. The related land use rights and building construction costs of self-developed and constructed buildings are accounted for as intangible assets and fixed assets, respectively. In the case of purchased houses and buildings, the relevant price is distributed between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them are treated as fixed assets.

Since the intangible assets with limited useful life are available for use, the original value minus the estimated net residual value and the accumulated amount of impairment reserve shall be amortized by the straight-line method during their expected service life. Intangible assets with uncertain service life shall not be amortized.

At the end of the period, the useful life and amortization methods of intangible assets with limited useful life are reviewed, and if any change occurs, it is treated as a change of accounting estimate. In addition, the useful life of intangible assets with uncertain service life is also reviewed. If there is evidence that the period for which the intangible assets bring economic benefits to the enterprise is foreseeable, the useful life of intangible assets is estimated and amortized according to the amortization policy of intangible assets with limited useful life

(2) Research and development expenditure

The company's expenditure for internal research and development project is divided into research phase expenditure and development phase expenditure.

Expenditures for the research phase shall be recognized in profit or loss when incurred.

Expenditures for the development phase that meet the following conditions shall be recognized as intangible assets, and expenditures in the development stage that fail to meet the following conditions are included in current profit and loss:

a. It is technically feasible to complete the intangible asset to enable it to be used or sold.

b. The intent to complete the intangible asset and use or sell it;

c. The way in which intangible assets generate economic benefits, including the ability to prove that the products produced from the intangible assets having a market or the intangible assets having a market, and the intangible assets will be used internally, which can prove its usefulness;

d. sufficient technical, financial resources and other resources for supporting the development of the intangible assets and the ability to use or sell the intangible assets.

e. Expenditure attributable to the development phase of the intangible asset can be reliably measured.

(3) Impairment test method and Impairment provision method for intangible assets

For details of the impairment test method and impairment provision method, please refer to "Long-Term Asset Impairment".

14. Long-term deferred expenses

The long-term deferred expenses are all expenses that have occurred but shall be borne by the reporting period and subsequent periods with amortization period of more than one year. The company's long-term deferred expenses mainly include lease of land use right and renovation costs of factory building. Long-term deferred expenses are amortized on a straight-line basis over the estimated benefit period.

15. Long-term assets impairment

For fixed assets, construction in progress, intangible assets with limited useful life, investment property measured by cost model, and non-current non-financial assets such as long-term equity investments in subsidiaries, joint ventures and associates, the Company determines whether there is any indication of impairment on the balance sheet date. If there is any indication of impairment, the recoverable amount is estimated and the impairment test is carried out. Goodwill, intangible assets with uncertain service life and intangible assets that not yet ready for use are tested for impairment annually, regardless of whether there is any indication of impairment.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, the impairment provision is made based on the difference and is included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less the disposal expense and the present value of the estimated future cash flow of the asset. The fair value of assets is determined according to the sale agreement price in a fair transaction. If there is no sales agreement but there is an active market for the asset, the fair value is determined according to the buyer's bid for the asset; if there is neither sales agreement nor active market for assets, the fair value of assets shall be estimated based on the best information available. Asset disposal expenses include legal fee, taxes, transportation expenses and direct expenses incurred to make assets saleable. The present value of the estimated future cash flow of an asset is determined by the appropriate discount rate discounting and the estimated future cash flow generated by the asset during its continuous use and final disposal. The asset impairment provision is calculated and confirmed based on individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset is determined by the asset group which the asset belongs to. An asset group is the smallest portfolio of assets that can generate cash inflows independently.

The book value of the goodwill listed separately in the financial statements is amortized into asset groups or portfolios that are expected to benefit from the synergies of business combinations when impairment tests are conducted. The test results show that the recoverable amount of the asset group or portfolio containing the assessed goodwill is lower than its book value, the corresponding impairment losses should be confirmed. The amount of impairment loss is first deducted from the book value of the goodwill amortized to the asset group or portfolio, and then deducted proportionally from the book value of other assets according to the proportion of the book value of assets other than goodwill in the asset group or portfolio.

Once the above asset impairment loss is confirmed, it will not be reversed to the part where the value is restored in the future period.

16. Employee Compensation

The Company's employee compensation mainly includes short-term employee remuneration, Post-employment Benefits, Termination Benefits and benefits for other long-term employee. Among them:

Short-term employees remuneration mainly includes wages, bonuses, allowances and subsidies, employee welfare fees, medical insurance premiums, maternity insurance premiums, work injury insurance premiums, housing fund, labor union funds, employee education funds, and non-monetary benefits. The Company recognizes the actual short-term employee's remuneration as a liability in the accounting period in which employees provide services to the Company and recognizes them in profit or loss or related asset costs. Non-monetary benefits are measured at fair value.

Post-employment Benefits mainly include basic retirement security, unemployment insurance, and annuities. The Post-employment Benefit Scheme includes a Defined Contribution Plan and a Defined Benefit Plan. If a Defined Contribution Plan is adopted, the corresponding amount of the deposit shall be included in the relevant asset cost or current profit and loss as incurred. (1) The Defined Contribution Plan is recognized as a liability based on a fixed fee paid to an independent fund and is included in the current profit and loss or related asset costs; (2) The Defined Benefit Plan is accounted for using the expected cumulative benefits unit method Specifically, the Company will convert the welfare obligation arising from the Defined Benefit Plan into the final value of the departure time according to the formula determined by the expected cumulative benefits unit method; then it is attributed to the employee's in-service period and is included in the current profit and loss or related asset cost.

If the labor relationship with the employee is terminated before the employee's labor contract expires, or if the employee is encouraged to accept the reduction voluntarily, when cannot withdrawing unilaterally the dismissal benefits provided by the termination of the labor relationship plan or the reduction proposal, and when confirming the costs associated with the restructuring involving the payment of the dismissal benefits, whichever is earlier, the Company will recognize the employee compensation liabilities arising from the dismissal benefits, and included in the current profit and loss. However, if the dismissal benefits are not expected to be fully paid within 12 months after the end of annual reporting period, they shall be treated in accordance with other long-term employee compensations.

The internal retirement plan for employees shall be treated in the same way as the above-mentioned dismissal benefits. The company will pay the internal retired staff the salary and the social insurance premiums from the employee's lay-off to normal retirement, and will include in the current profit and loss (dismissal benefits) when the conditions of the estimated liabilities are met.

If the other long-term employee benefits provided by the Company to the employees are in line with the Defined Contribution Plan, they shall be accounted for Defined Contribution Plan, and otherwise accounted for the Defined Benefit Plan.

17. Income

The company confirms the realization of the business revenue as per the following regulations, keeps accounts as per the realized income and records into the current profits and losses.

(1) Commodity Sales Revenue

When the main risks and rewards of commodity ownership is transferred to the buyer without retaining the continuing management rights usually associated with the ownership and without effectively controlling of the sold commodity, if the amount of revenue can be reliably measured, and the relevant economic benefits are likely flow into enterprise and the relevant costs incurred or will be incurred can be reliably measured, the sales revenue of commodities shall be confirmed.

(2) Income from labor services

In the case the results of the labor service transaction can be reliably estimated, the labor income provided is confirmed on the balance sheet date according to the percentage of completion method. The completion progress of the labor transaction is determined by the ratio of the completed work or the proportion of the labor service provided to the total labor service, or by the ratio of labor costs incurred to the estimated total cost.

Reliable estimates of results of the labor transactions provided mean that it can be simultaneously met a.) The amount of income can be measured reliably; b.) Relevant economic benefits are likely to flow into the enterprise; c.) The degree of completion of the transaction can be determined reliably, d.) The costs that have occurred and will occur in the transaction can be measured reliably.

(3) Revenue from charge for use

Revenue shall be recognized on an accrual basis in accordance with the relevant contract or agreement.

18. Government grants

Government grant refers to the company's acquisition of monetary and non-monetary assets from the government free of charge, excluding the capital invested by the government as an investor and enjoying the corresponding owner's rights and interests. Government grants include assets-related grants and revenue-related grants.

Government grants related to assets are recognized as deferred earnings and are divided into current profits and losses in a reasonable and systematic way during the service life of the assets concerned. The government grants related to revenue, which are used to compensate for the related cost or loss in the subsequent period, shall be recognized as deferred income, and shall be recognized in profit or loss in the period in which the related costs or losses are recognized; if it is used to compensate the related costs or losses that has occurred, it shall be directly recognized in the current profit and loss.

Government grants related to the daily activities of the Company shall be included in other income or cost deductions according to the nature of the economic business; government subsidies unrelated to daily activities shall be included in the non-operating revenues and expenses.

When the recognized government grants need to be returned, if there are relevant deferred earnings balances, the book balance of related deferred earnings shall be deducted, and the excess part shall be included in the current profits and losses or the book value of assets shall be adjusted, otherwise, the book value of assets shall be directly included in the current profits and losses.

19. Deferred Income Tax Assets / Deferred Income Tax Liabilities

(1) Current Income Tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods are measured by the expected amount of income tax payable (or returned) in accordance with the provisions of the Tax Law. The amount of taxable income on which current income tax expenses are calculated is based on the corresponding adjustment of pre-tax accounting profits in the reporting period in accordance with the relevant tax laws.

(2) Deferred Income Tax Assets and Deferred Income Tax Liabilities

The difference between the book value of certain assets and liabilities and their tax basis, and the temporary difference between the book value of items that are not recognized as assets and liabilities but which can be determined as their tax basis according to the tax law, are confirmed by the balance sheet liability method.

Taxable temporary differences which related to the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor an accounting profit or taxable income (or deductible loss), relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the Company is able to control the turnaround time of temporary differences, and the temporary difference is unlikely to be reversed in the foreseeable future, the related deferred income tax liabilities shall not be recognized. Except for the above exceptions, the Company recognizes all other deferred income tax liabilities arising from taxable temporary differences.

Taxable temporary differences which related to the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor an accounting profit or taxable income (or deductible loss), relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the temporary difference is unlikely to be reversed in the foreseeable future, or the amount of taxable income used to offset the temporary difference is unlikely to be obtained in the future, the deferred income tax assets concerned shall not be recognized. Except for the above exceptions, the Company recognizes other deferred income tax assets that can offset temporary differences, subject to the amount of taxable income that is likely to be obtained to offset temporary differences.

For deductible losses and tax credits that can be carried forward in subsequent years, the corresponding deferred income tax assets are recognized to the extent that it is probable that the future taxable income shall be used to offset the deductible losses and tax credits.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rates in the period in which the related assets are recovered or the related liabilities are recovered in accordance with the tax laws.

On the balance sheet date, the book value of deferred income tax assets is reviewed. and the book value of deferred income tax assets is written down if it is likely that sufficient taxable income will not be available to offset the benefits of deferred income tax assets in the future. When it is possible to obtain sufficient taxable income, the amount written down shall be reversed.

(3) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

In addition to recognizing that the current income tax and deferred income tax related to other transactions and matters directly included in shareholder's rights and interests shall be recognized in other comprehensive income or shareholder's rights and interests, and the book value of adjusted goodwill from deferred income tax resulting from the merger of enterprises, the other current income tax and deferred income tax expenses or gains shall be recognized in profit or loss for the current period.

(4) Offset of Income Tax

When the company has legal rights to settle on a net basis, and intends to settle on a net basis or acquire assets and pay off liabilities at the same time, the company's current income tax assets and current income tax liabilities shall be presented on a net basis after the offset.

When it has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same tax payer or to different tax payers, but in the future, during each important period of deferred income tax assets and liabilities being reversed, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis, or acquire assets and pay off liabilities simultaneously, the deferred the income tax assets and deferred income tax liabilities of the Company shall be presented on a net basis after offset.

20. Changes in significant accounting policies and estimates

(1) Changes of accounting policies

There is no changes of accounting policies for the current year.

(2) Changes of significant accounting estimates

There is no significant accounting estimates this year.

V. Taxation

1. The company mainly taxes and tax rates

Tax	**Specific tax rate**
Value-added tax (VAT)	Taxable income is calculated as output tax at the rate of 6%, and VAT is calculated as the difference after deducting the input tax allowed to be deducted in the current period.
City construction tax	According to the actual payment of turnover tax 7%
Surcharge for education	According to the actual payment of turnover tax 3%
Local education surcharge	According to the actual payment of turnover tax 2%
Enterprise Income Tax	According to 25% of taxable income
Individual income tax	Excess progressivity

VI. Main Notes to the Financial Statements

The following notes (including notes of major items in the company's financial statements) refer to December 31, 2019 as the beginning of the year, December 31, 2020 as the end of the year, 2020 in the current period and 2019 in the previous period unless otherwise specified

1. Cash and bank

Item	**Closing balance**	**Beginning balance**
Cash in hand		
Cash in bank	9,863,982.33	4,131,250.62
Other currency funds		
Total	**9,863,982.33**	**4,131,250.62**

2. Accounts receivable

Item	**Closing balance**	**Beginning balance**
Note receivable		
Accounts receivable	1,550,656.89	3,274,342.29
Total	1,550,656.89	3,274,342.29

1. Accounts receivable
2. Classified disclosure of accounts receivable

Category	**Closing balance**				
	Book balance		**Bad-debt provision**		**Book value**
	Amount	**Proportion%**	**Amount**	**Total proportion%**	
Receivables with significant single amount and provision for bad debts separately					
Receivables with provision for bad debts according to the combination of credit risk characteristics	1,550,656.89	100.00			1,550,656.89
Receivables for which single amount is not important and bad debt reserves are boldly withdrawn separately					
Total	**1,550,656.89**	**100.00**			**1,550,656.89**
Receivables with significant single amount and provision for bad debts separately					
Receivables with provision for bad debts according to the combination of credit risk characteristics	3,274,342.29	100.00			3,274,342.29
Receivables for which single amount is not important and bad debt reserves are boldly withdrawn separately					
Total	**3,274,342.29**	**100.00**			**3,274,342.29**

In the portfolio, accounts receivable for which bad debt provision is accrued according to aging analysis method.

Aging	Closing balance		
	Accounts receivable	Bad-debt provision	Total proportion %
Within one year	1,550,656.89		
1 to 2 years			
2 to 3 years			
More than 3 years			
Total	**1,550,656.89**		

Continued:

Aging	Beginning balance		
	Accounts receivable	Bad-debt provision	Total proportion(%)
Within one year	3,274,342.29		
1 to 2 years			
2 to 3 years			
More than 3 years			
Total	**3,274,342.29**		

3. **Prepayments**

(1) Prepayments are presented by age

Aging	Closing balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion(%)
Within one year	455,284.74	98.93	12,458.69	100.00
1 to 2 years	4,912.46	1.07		
2 to 3 years				
More than 3 years				
Total	**460,197.20**	**100.00**	**12,458.69**	**100.00**

4. **Other receivables**

Item	Closing balance	Beginning balance
Other receivables	481,201.74	521,979.64
Interest receivable		
Dividend receivable		
Total	**481,201.74**	**521,979.64**

(1) Classification by nature of funds

Nature of payment	Closing balance	Beginning balance
Office rental deposit	479,701.74	520,479.64
Petty cash	1,500.00	1,500.00
Sub Total	481,201.74	521,979.64
Less: impairment		
Total	**481,201.74**	**521,979.64**

5. Other current assets

Item	Closing balance	Beginning balance
Input tax to be deducted	9,892.70	8,747.76
Total	**9,892.70**	**8,747.76**

6. Fixed assets

Item	Closing balance	Beginning balance
Fixed assets	613,512.39	1,230,124.21
Liquidation of fixed assets		
Total	**613,512.39**	**1,230,124.21**

(1)Fixed assets

(2)Status of fixed assets

Item	Beginning book balance	Increase this year	Decrease this year	Closing book balance
I. Total Original Price	**1,737,466.22**			**1,737,466.22**
Electronic equipment	1737466.22			1,737,466.22
II. Total Accumulated Depreciation	**507,342.01**	**616,611.82**		**1,123,953.83**
Electronic equipment	507342.01	616,611.82		1,123,953.83
III. Total Amount of Impairment Reserve				
Electronic equipment				
IV. Total book value	**1,230,124.21**			**613,512.39**
Electronic equipment	1,230,124.21			613,512.39

7. Long-term prepaid expenses

Item	Beginning balance	Increase in current period	Amortization amount in current period	Other reduced amounts	Closing balance
Renovation costs	2,942,463.33	14,311.93	1,458,351.39		1,498,423.87
Total	**2,942,463.33**	**14,311.93**	**1,458,351.39**		**1,498,423.87**

8. Short-term loans

Items	Closing balance	Beginning balance
Company loan		3,250,000.00
In total		**3,250,000.00**

9. Trade payables

(1) Salary payable to employees listed

Items	Closing balance	Beginning balance
Consultation fee	86,697.82	
Total	**86,697.82**	

10. Advance

Item	Closing balance	Beginning balance
Advance Service fee	1,609,491.09	
Total	**1,609,491.09**	

11. Employee benefits payable

Item	Opening balance	Amount withdrawn this year	Amount paid this year	Ending balance
I. Wages, bonuses, allowances and subsidies		6,481,414.59	6,449,263.38	32,151.21
II. Employee benefits		2,632,223.26	2,632,223.26	
I. Redundancy compensation		724,275.20	724,275.20	
Total		**9,837,913.05**	**9,805,761.84**	**32,151.21**

12. Taxes payable

Item	Closing balance	Beginning balance
Value-added tax	49,980.55	139,402.20
Personal income tax	48,990.84	60,427.38
Enterprise Income Tax	148,882.15	115,308.92
City construction tax	3,200.84	9,434.14
Surcharge for education	1,371.79	4,043.20
Local education surcharge	914.53	2,695.47
Total	**253,340.70**	**331,311.31**

13. Other payables

Item	Closing balance	Beginning balance
Other payables	1,723,344.89	2,579,626.02
Interest payable		
Dividends payable		
Total	**1,723,344.89**	**2,579,626.02**

(1) Other payables

(2) Other payables by nature

Item	Closing balance	Beginning balance
Service fee	754,548.82	810,422.31
Advance prepayment from Headquarters	563,860.09	563,860.09
Accrued expense	20,874.09	53,769.62
Rental and service of network equipment	165,061.89	764,474.00
Decoration quality deposit	219,000.00	219,000.00
Interest on loan		168,100.00
Total	**1,723,344.89**	**2,579,626.02**

14. Paid-in capital

Item	Beginning balance	Increase in current period	Decrease in current period	Closing balance
Tech Mahindra Limited	3,441,546.02	2,133,120.00		5,574,666.02
Total	**3,441,546.02**	**2,133,120.00**		**5,574,666.02**

15. Capital premium

Item	Beginning balance	Increase in current period	Decrease in current period	Closing balance
Capital (equity) premium	12,639.68			12,639.68
Total	**12,639.68**			**12,639.68**

16. Retained earnings

Item	Current amount	Amount of previous period
Undistributed profit at the end of last year before adjustment	2,506,243.51	125,612.78
Adjust the total undistributed profit at the beginning of the period (increase +, decrease -)		
Adjusted undistributed profits at the beginning of the period	2,506,243.51	125,612.78
Plus: net profit attributable to shareholders of the parent company in the current period	2,679,292.20	2,380,630.73
Minus: Withdraw statutory surplus reserve		
Unallocated profit at the end of the period	5,185,535.71	2,506,243.51

17. Operating income and operating costs

Item	Current amount		Amount of previous period	
	Income	Cost	Income	Cost
Principal business	22,361,639.09		21,959,631.84	
Total	**22,361,639.09**		**21,959,631.84**	

18. Other income

Item	Current amount	Amount of previous period
Input tax plus deduction	34,497.74	23,147.56
Service fees paid for withholding IIT	8,072.21	5,834.21
Total	42,569.95	28,981.77

19. Non-operating expense

Item	Current amount	Amount of previous period
Compensation, liquidated damages, late fees		218.56
Uncollectible other accounts receivable	40,777.90	
Total	**40,777.90**	**218.56**

20. Income tax

Item	Current amount	Amount of previous period
Current income tax	242,827.59	119,578.83
Total	**242,827.59**	**119,578.83,**

VII. Contingent Events

Without the contingent event this year.

VIII. Events after the balance sheet date

Without the need for disclosure of events after the balance sheet date this year.

IX. Other significant events declaration

This financial statement has already been approved by Board of Director of the company.

X. The approval of financial statement

This financial statement has already been approved by Board of Director of the company.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Legal Representative: Mr. Jagdish Mitra
Person in charge of accounting: Mr.Harshad Deshpande

Foreign rights and interests of foreign-invested enterprises confirmation form audit report

Tech Mahindra (Beijing) IT Services Limited:

We have audited the accompanying Tech Mahindra (Beijing) IT Services Limited (hereinafter referred to as the Company) foreign shareholding rights and interests of foreign-invested enterprises confirmation form for 2020. In accordance with the relevant provisions of the foreign exchange management, true and complete preparation of foreign-invested enterprises in foreign interests confirmation form is the responsibility of the Company's management. While our responsibility is to perform the audit work on the basis of the foreign shareholding interests of foreign-invested enterprises confirmation form and reach a conclusion on whether the form in all material respects, abides the relevant requirements of the national foreign exchange management. We are not providing assurance to the compliance on the Company's foreign exchange balance to relevant rules of the country.

We perform the audit work in accordance with the "foreign-invested enterprises by the Chinese Institute of CPAs guidance" which developed by the Chinese Institute of CPAs. In the audit process, we ask to check the records and documents, recalculations and other procedures as we considered necessary. We believe that our audit provides a reasonable basis for the audit conclusions.

We believe that the foreign interests confirmation table of the foreign-invested enterprises in all material respects comply with the requirements of the national foreign exchange management.

This report is intended for your confirmation form submitted to the foreign shareholding interests of foreign-invested enterprises to the national foreign exchange management departments and may not be used for any other purpose.

Beijing Zhong Sheng Jia Hua Certified Public Accountants Co.,Ltd

Name of CPA:

Beijing China
April 9, 2021

Name of CPA:

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Foreign Rights and Interests of Foreign-invested Enterprises Confirmation Form

Prepared by: TECH MAHINDRA (BEIJING) IT SERVICES LIMITED Fill time: April 9, 2021

Organization Code:91110105666903783P		Unit: RMB Yuan
Indicators	**Beginning**	**Ending**
1. The actual investment of the foreign investor	3,441,546.02	5,574,666.02
Of which: foreign real to the registered capital	3,441,546.02	5,574,666.02
2. Amount of reserve and retained earnings of foreign enjoyed	2,518,883.19	5,198,175.39
2.1 Capital reserve	12,639.68	12,639.68
2.2 Surplus reserve		
2.3 Undistributed profit	2,506,243.51	5,185,535.71
3. Foreign dividend that allocated but not yet exported outside		
4. Foreign currency account balances (Including regular items and capital items)	12.14	1,958,065.85

Note:

1. This year has been to export the amount of foreign profits is: 0.00Yuan.
2. The external guarantees new adding amount is 0.00 U.S.dollars this year, reducing amount of the guarantee is 0.00 U.S. dollars, year-end balance is $ 0.00.

Person in charge of the unit :

Person in charge of accounting department :

Lister:

TECH MAHINDRA BAHRAIN LTD. W.L.L

Directors
Mr. Hrishikesh Pandit
Mrs. Dhanashree Bhat

Registered Office
Flat 1126, Building 722
Road 1708, Block 317
Diplomatic Area, Manama
Kingdom of Bahrain

Bankers
Ahli United Bank B.S.C.
HSBC Middle East Limited

Auditors
KPMG Fakhro, Bahrain

DIRECTORS' REPORT

For the year ended 31 March 2021

In accordance with the Commercial Companies Law, we have the pleasure in presenting the financial statements of Tech Mahindra -Bahrain- LTD W.L.L ("the Company") for the year ended 31 March 2021 as set out on pages 185 to 197.

Financial highlights	**2021 BHD**	**2020 BHD**
Revenue	**136,108**	149,905
Gross profit	**45,403**	26,867
Total comprehensive income	**8,558**	9,409
Total equity	**398,123**	389,565

Representations and audit

The Company's activities for the year ended 31 March 2021 have been conducted in accordance with the Commercial Companies Law and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 March 2021, which would materially modify the financial statements presented on pages 185 to 197.

The Company has maintained proper, complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors KPMG Fakhro, who have expressed their willingness to continue in office for the audit of the year ending 31 March 2022.

On behalf of the Board of Directors

Hrishikesh Pandit
Director

Date: June 16, 2021

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

Tech Mahindra -Bahrain- LTD W.L.L
Kingdom of Bahrain

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tech Mahindra -Bahrain- LTD W.L.L (the "Company") which comprise the statement of financial position as at 31 March 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The board of directors is responsible for the other information. The other information obtained at the date of this auditors' report is the Director's report set out on page 182.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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.

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

We communicate with the board of directors 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 regulatory requirements

As required by the Commercial Companies Law, we report that:

- the Company has maintained proper accounting records and the financial statements are in agreement therewith;
- the financial information contained in the director's report is consistent with the financial statements.
- we are not aware of any violations during the year of the Commercial Companies Law or the terms of the Company's article of association that would have had a material adverse effect on the business of the Company or on its financial position; and
- satisfactory explanations and information have been provided to us by management in response to all our requests.

KPMG Fakhro
Partner registration number 137

Date: June 16, 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Bahraini dinars

	Notes	2021	2020
ASSETS			
Trade and other receivables	4	**193,162**	22,785
Cash and bank balances	6	**396,985**	397,060
Total assets		**590,147**	419,845
EQUITY AND LIABILITIES			
Equity			
Share capital	7	**50,000**	50,000
Statutory reserve	8	**25,000**	25,000
Retained earnings		**323,123**	314,565
Total equity (page 187)		**398,123**	389,565
Liabilities			
Provision for employees' benefits	9	**12,072**	10,733
Total non-current liabilities		**12,072**	10,733
Trade payables and other liabilities	10	**7,027**	12,770
Due to the Parent Company	5	**172,925**	6,777
Total current liabilities		**179,952**	19,547
Total equity and liabilities		**590,147**	419,845

The financial statements were approved by the Directors on June 16, 2021 and signed on its behalf by:

Mrs. Dhanashree Ajit Bhat
Director

Mr. Hrishikesh Pandit
Director

The accompanying notes 1 to 15 are an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

Bahraini dinars

	Notes	2021	2020
Revenue from services (net)	11	**136,108**	149,905
Cost of revenue	12	**90,705**	123,038
Gross profit		**45,403**	26,867
General and administrative expenses	13	**26,144**	18,391
Impairment allowance on trade receivables	4	**12,211**	-
Profit from operations		**7,049**	8,478
Other Income		**1,509**	931
Profit for the year		**8,558**	9,409
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**8,558**	9,409

The financial statements were approved by the Directors on 16th June 2021 and signed on its behalf by:

Mrs. Dhanashree Ajit Bhat
Director

Mr. Hrishikesh Pandit
Director

The accompanying notes 1 to 15 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

Bahraini dinars

2021	**Share capital**	**Statutory reserve**	**Retained earnings**	**Total equity**
At 1 April 2020	50,000	25,000	314,565	389,565
Total comprehensive income for the year	-	-	8,558	8,558
At 31 March 2021	50,000	25,000	323,123	398,123

2020	**Share capital**	**Statutory reserve**	**Retained earnings**	**Total equity**
At 1 April 2019	50,000	25,000	305,156	380,156
Total comprehensive income for the year	-	-	9,409	9,409
At 31 March 2020	50,000	25,000	314,565	389,565

The accompanying notes 1 to 15 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

Bahraini dinars

	2021	2020
Cash flow from operating activities		
Profit for the year	**8,558**	9,409
Adjustment for:		
Sundry balances write back	**(1,061)**	(220)
Interest on fixed deposit	**(1,136)**	(710)
Provision for employees' benefits	**1,339**	5,279
Profit for the year before changes in operating assets and liabilities	**7,700**	13,758
Changes in operating assets and liabilities:		
Trade receivables	**(170,377)**	5,706
Trade payables and other liabilities	**(4,682)**	2,135
Due to the Parent company	**166,148**	(39,219)
	(1,211)	(17,620)
Payment of employee's end of service benefits	**-**	(1,987)
Net cash used in operating activities	**(1,211)**	(19,607)
Cash flows from Investing activities		
Interest received on fixed deposits	**1,136**	710
Net cash generated from financing activities	**1,136**	710
Net decrease in cash and cash equivalents	**(75)**	(18,897)
Cash and cash equivalents at the beginning of the year	**397,060**	415,957
Cash and cash equivalents at the end of the year	**396,985**	397,060

The accompanying notes 1 to 15 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 REPORTING ENTITY

Tech Mahindra-Bahrain- LTD W.L.L (the "Company") was incorporated on November 3, 2009 as a Single Person Company in the Kingdom of Bahrain and registered with the Ministry of Industry, Commerce and Tourism under Commercial Registration number 73221-1. During the year, the legal status of the Company changed from a Single Person Company (SPC) to a With Limited Liability (W.L.L) entity subsequent to the issuance of Degree Law 20 of 2020 which acted to cover all SPC entities to WLL status automatically.

The Company is engaged in providing information technology services and telecommunication solutions.

The Company's registered office is in Manama, Kingdom of Bahrain. The Company is owned by Tech Mahindra Limited, India (the "Parent Company").

The Company's issued share capital consists of 500 ordinary shares at BD 100 each, issued and fully paid.

2 BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in conformity with the requirements of the Commercial Companies Law.

b) Basis of measurement

The financial statements have been prepared on the historical cost convention.

c) Functional and presentation currency

The financial statements are presented in Bahraini Dinars ("BD") being the functional currency of the Company.

d) New standards, amendments and interpretations effective from 1 January 2020

The following standards, amendments and interpretations, which became effective as of 1 January 2020, are relevant to the Company:

(i) Amendments to References to Conceptual Framework in IFRS Standards

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020.

The adoption of this amendment had no significant impact on the financial statements.

(ii) Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general- purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The adoption of this amendment had no significant impact on the financial statements.

e) New standards, amendments and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2020 and earlier application is permitted; however; the Company has not early applied the following new or amended standards in preparing these financial statements.

(i) Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated.

The Company does not expect to have a significant impact on its financial statements.

(ii) Property, Plant and Equipment (PPE): Proceeds before Intended Use (Amendments to IAS 16)

In the process of making an item of PPE available for its intended use, a company may produce and sell items before starting production. Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of PPE is available for use; and
- costs associated with making the item of PPE available for its intended use.

The amendments clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The Company does not expect to have a significant impact on its financial statements.

(iii) Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional ‘right to defer’ settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. This assessment may require management to exercise interpretive judgement.

The Company does not expect to have a significant impact on its financial statements.

f) COVID-19 impact

On 11 March 2020, the coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. The estimation uncertainty is associated with the extent and duration of the expected economic downturn and forecasts for key economic factors including GDP, employment, oil prices etc. This includes disruption to capital markets, deteriorating credit markets and liquidity concerns.

Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures. The Government of Kingdom of Bahrain has announced various economic stimulus programmes (“Packages”) to support businesses in these challenging times. The Company and its customers are expected to get some benefits from these Packages that will help them sustain the impact of the crisis.

The pandemic as well as the resulting measures and policies are expected to have direct and/or knock-on impact on the Company. The management and the board of directors has been closely monitoring the potential impact of the COVID-19 developments on the Company’s operations and financial position; including possible loss of revenue, onerous contracts etc. The Company has also put in place contingency measures, which include but are not limited to enhancing and testing of business continuity plans including its liquidity requirements. Based on their assessment, the board of directors is of the view that the Company will continue as a going concern entity for the next 12 months from the date of this financial statements.

In preparing these financial statements, judgements made by management in applying the Company’s accounting policies and sources of estimation are subject to uncertainty regarding the potential impacts of the current economic volatility and these are considered to represent management’s best assessment based on available or observable information.

g) Use of estimates and management judgement

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Impairment of trade and other receivables

The Company measures expected credit loss for receivables that result from all possible default events over the expected life of the receivable. A financial asset is considered 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting polices applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.

a) Revenue recognition

The Company recognises revenue when it transfers control of a product or service to a customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered. Revenue from fixed price contracts is recognised as performance obligation satisfied over a period of time based on the stage of completion of the contract the stage of completion determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations.

The Company has entered into a service agreement with the Parent Company for reimbursement of costs incurred plus a mark-up ("cost plus method") which forms part of the revenue.

The Company has pass through billing agreement with Parent Company where the Company bills the third-party customers on behalf of Parent company and revenue is recognised on net basis.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

b) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term deposits with original contractual maturity period of three months or less. These are carried at amortised cost.

c) Financial instruments

(i) Recognition and initial measurement

The financial instruments of the Company consist primarily of trade and other receivables, balance with a bank, trade and other payables, due from and to parent company. The Company recognises financial instruments initially on the trade date, which is the date when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt security; FVOCI – equity security; or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on de-recognition is also recognised in profit or loss.

(iii) De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position, when and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk has not increased significantly since initial recognition.

Measurement of ECLs- Trade receivables

The Company measures expected credit loss for receivables that result from all possible default events over the expected life of the asset. This include receivables that have objective evidence of impairment at the reporting date. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Measurement of ECLs- Cash and bank balances (General approach)

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

d) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

e) Trade and other payables

Trade and other payables expenses are recognised initially at fair value and subsequently stated at amortised cost.

f) Foreign Currencies

Transactions in foreign currencies are recognised in the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the reporting dates. All differences are taken to profit or loss.

g) Employee benefits

Provisions are made for end-of-service benefits to all expatriate employees. The entitlement to these benefits is based upon the employee's final salary and length of service. The expected costs of these benefits are accrued over the period of the employment.

For Bahraini employees, contributions are made to the Social Insurance Organisation based on a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

h) Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle such obligation.

i) Statutory reserve

In accordance with Commercial Companies Law, a minimum of 10% of the net profit is appropriated to a statutory reserve, until it reaches 50% of the paid-up share capital (excluding share premium). This reserve is not normally distributable except in certain circumstances.

j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset (ROU) and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Co by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

i. fixed payments, including in-substance fixed payments;

ii. lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in property, plant and equipment' and liability related to leases in Lease liabilities.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

4 TRADE AND OTHER RECEIVABLES

	31 March 2021	31 March 2020
Gross trade receivables	**66,810**	15,299
Less: Provision for impairment (i)	**(15,289)**	(3,078)
	51,521	12,221
Advance to supplier	**2,068**	-
Unbilled revenue	**137,087**	8,169
Prepaid expenses	**-**	1,449
VAT receivable	**1,642**	-
Other receivables	**844**	946
	193,162	22,785

(i) The movements of the provision for impairment of trade receivables were as follows:

	31 March 2021	31 March 2020
At 1 April	**3,078**	3,078
Charge for the year	**12,211**	-
At 31 March	**15,289**	3,078

5 RELATED PARTY TRANSACTIONS

A significant portion of the Company's transactions in the normal course of business are with the Parent Company. All transactions are subject to controls embedded in respective processes in line with the Parent Company policies and procedures. These financial statements may not necessarily be indicative of the financial position that would have existed or of the Company's results of operations, if the Company had been operated as an unaffiliated Company.

	31 March 2021	31 March 2020
Due to Parent Company		
Tech Mahindra Limited, India	**172,925**	6,777
	172,925	6,777
The transactions with Parent Company is as follow:		
Revenue from services – billed (note 11) (i)	**136,108**	149,905
Payable for pass through billings (ii)	**(177,985)**	(69,616)
Payment made for pass through billings	**177,985**	-
Liability recognised during the year	**(180,564)**	-
Payments received – net	**(121,692)**	(41,070)

(i) The Company bills its revenue to its Parent company on the basis of its operating costs with a mark-up of 6%.

(ii) The Company bills third party customers on behalf of its Parent Company. The credit risk pertaining to these counterparts' rests with the Parent Company.

6 CASH AND BANK BALANCES

	31 March 2021	31 March 2020
Cash at bank (i)	**73,092**	99,776
Short term deposits with bank (ii)	**323,893**	297,284
	396,985	397,060

(i) Company earns no interest on cash at bank balance in current account.

(ii) Short term deposits with bank outstanding at year end, earns interest at a rate of 0.01% to 0.3% (2020: 0.05% to 2.5%) per annum with original maturity of less than 3 months.

7 SHARE CAPITAL

The Company's issued share capital consists of 500 ordinary shares at BD 100 each, issued and fully paid.

8 STATUTORY RESERVE

In accordance with the Commercial Companies Law and the Company's Articles of Association 10% of the profit has been transferred to a statutory reserve. The Company resolved to discontinue such annual transfer when the reserve reached 50% of the issued share capital. The reserve is not available for distribution, except in the circumstances stipulated in the Commercial Companies Law.

9 PROVISION FOR EMPLOYEES' BENEFITS

	31 March 2021	31 March 2020
At 1 April	**10,733**	7,441
Charge for the year	**1,339**	5,279
Paid during the year	**-**	(1,987)
At 31 March	**12,072**	10,733

10 TRADE PAYABLES AND OTHER LIABILITIES

	31 March 2021	31 March 2020
Trade payables	**373**	-
Accrued expenses	**5,709**	8,182
Accrued employees' benefits	**945**	4,588
	7,027	12,770

11 REVENUE FROM SERVICES (NET)

	2021	2020
Pass through billings to customers (note 5)	**177,985**	69,616
Less: Payable to Parent company on pass through billings (note 5)	**(177,985)**	(69,616)
Service revenue to Parent Company (note 5)	**136,108**	149,905
	136,108	149,905

12 COST OF REVENUE

	2021	2020
Staff costs	**74,938**	84,746
Travel expenses	**15,767**	38,292
	90,705	123,038

13 GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Professional fees	**15,006**	7,747
Rent expenses relating to short-term leases	**4,180**	4,560
Telephone and mobile charges	**3,042**	1,173
Foreign exchange gain	**794**	1,608
Miscellaneous expenses	**3,122**	3,303
	26,144	18,391

14 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments include financial assets and financial liabilities. Financial assets of the Company include trade and other receivables and cash and bank balances.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the

Company's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

The Board of Directors of the Parent have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Parent's risk management framework ensures the Company's risk management. The Board of the Parent, which includes the Parent and its subsidiaries, oversees how the management monitors compliance with the Company's risk management framework and reviews its adequacy in relation to the risks faced by the Company.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company is principally exposed to credit risk on trade and other receivables and bank balances. The maximum credit risk is the carrying value of the assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 March 2021	31 March 2020
Trade and other receivables (i)	**189,452**	21,336
Bank balances (ii)	**396,985**	397,060
	586,437	418,396

(i) The Company gives a credit period of 30 days to its customers after which the receivables are classified as past due. Credit risk for trade receivables outstanding pertaining passthrough billing and credit risk rests with the Parent Company. The Company does not hold any collateral against the above receivables.

(ii) The Company limits its exposure to credit risk on bank balances by maintaining balances with banks having high credit ratings. Given these high credit ratings, the company does not expect any bank to fail to meet its obligations. Accordingly, there is no significant expected credit loss on bank and deposit balances as on 31 March 2020 (2019: Nil).

The ageing of the trade receivables at the reporting date was:

	31 March 2021			31 March 2020		
	Gross receivables	**Loss rate**	**Impairment**	**Gross receivables**	**Loss rate**	**Impairment**
Past due:						
91-180 days	51,521	-	-	-	-	-
181-365 days	-	-	-	12,221	-	-
More than 1 year	15,289	100%	15,289	3,078	100%	3,078
	66,810	**22.88%**	**15,289**	**15,299**	**20.12%**	**3,078**

The Company has specifically assessed the exposure of trade receivables and does not expect the customer to fail to meet its obligations. Accordingly, there is no expected credit loss on trade receivables as on 31 March 2021 (2020: Nil) on past due less than 1 year.

The Company has policy to make full provision on past due more than 1 year and accordingly all past due more than one has been fully provided as on 31 March 2021.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far possible, that it will always have sufficient liquidity to meet its /liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. All financial liabilities are payable within 6 months.

c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company is not exposed to any significant market risk on its financial instruments. Company's transactions primary denominated in Bahrain Dinar and the Company does not hold significant interest bearing financial assets or liabilities.

d) Capital Management

The Board's policy is to maintain a strong capital base to sustain the future development of the business. The Company is not exposed to externally imposed capital requirements. There were no significant changes in the Company's approach to capital management during the year.

e) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

As on the reporting date, the fair value of the Company's financial assets and liabilities approximate their carrying values.

f) Categorisation of financial instruments

All financial assets and liabilities are classified "at amortised cost" as on 31 March 2021 and 31 March 2020.

15 COMPARATIVES

The corresponding figures have been regrouped where necessary to conform to the current year's presentation. The regrouping has not affected previously reported profit for the year or equity.

TECH MAHINDRA (SHANGHAI) CO., LTD.

Board of Directors

Mr. Amitava Ghosh
Mr. Ravi Kumar Yellajosula
Mr. Mukesh Sharma

Registered Office

Suite 23102, 23104, 23204, Pudong Software Park,
No. 498 Guoshoujing Road, Zhangjiang Hi-tech Park,
Shanghai, P.R. China, 201203

Bankers

HSBC Bank Ltd.
China Merchant Bank

Auditors

Shanghai Linfang
Certified Public Accountants Co.,Ltd.

DIRECTORS ' REPORT TO THE SHAREHOLDERS

Your directors present their report together with the audited accounts of your company for the year ended December 31, 2020.

Financial Results(Local Currency RMB)

For the years ended December 31	**2020**	**2019**
	RMB	**RMB**
Income	**166,520,371.42**	172,875,217
Profit/(Loss) before tax	**-10,493,245.34**	(13,379,263)
Profit/(Loss) after tax	**-10,493,245.34**	(13,379,263)

Review of Operations:

During the year under review, your company recorded an income of RMB 166,520,371.42, a decrease of 3.68% over the previous year. Profit after tax was RMB -10,493,245.34 an increase of 21.57%over the previous year. The Company continues to invest in strengthening its marketing infrastructure in China

Outlook for the Current Year:

Business has been encouraging in China and the Company is optimistic of the future.

Acknowledgments:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For Tech Mahindra (Shanghai) Co., Ltd.

Amitava Ghosh	**Mukesh Sharma**
Director	Director

Place: Shanghai, China
Date : April 26, 2021

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TECH MAHINDRA (SHANGHAI) CO., LTD.

1. Opinion

We have audited the financial statements of Tech Mahindra (Shanghai) Co., Ltd. (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business Enterprises".

2. Basis for Opinion

We conducted our audit in accordance with China Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business Enterprises", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

4. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 assurance, but is not a guarantee that an audit conducted in accordance with China Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

During the process of our audit in accordance with China Auditing Standards, we exercise professional judgment and maintain professional skepticism. We also:

(1) 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, the risk of not finding a material misstatement resulting from fraud is higher than for one resulting from error.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we shall not express unqualified 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.

(5) 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.

We communicate with the those Charged with Governance about planned scope and timing of the audit, as well as significant findings from the audit, including notable internal control weaknesses identified from the audit..

Chen Jie, China Certified Public Accountant

Su Yalan, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,
Shanghai China
April 26, 2021

TECH MAHINDRA (SHANGHAI) CO., LTD.

BALANCE SHEET DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

Assets	Notes	Ending balance	Beginning balance
Current assets:			
Cash and cash equivalents	5	5,057,840.59	7,374,318.38
Accounts receivable	6	87,560,435.79	103,239,009.72
Advance to suppliers	7	1,539,656.26	1,075,683.73
Other receivables	8	1,955,608.55	2,781,734.72
Inventories		333,428.12	-
Other current assets		70,930.49	-
Total current assets		**96,517,899.80**	**114,470,746.55**
Non-current assets:			
Fixed assets	9	1,596,378.73	2,199,199.09
Long-term deferred expenses	10	5,578,612.03	9,169,215.95
Total non-current assets		**7,174,990.76**	**11,368,415.04**
Total assets		**103,692,890.56**	**125,839,161.59**
Liabilities and owner's equity (or shareholder's equity)			
Current liabilities:			
Short-term loans	11	4,500,000.00	41,600,000.00
Accounts payable	12	22,320,451.83	25,346,725.93
Advances from customers	13	6,582,371.18	1,463,079.71
Employee benefits payable	14	1,649,108.45	1,736,383.62
Taxes and dues payable	15	692,414.86	1,801,154.26
Other payables	16	9,471,557.31	6,066,485.80
Total current liabilities		**45,215,903.63**	**78,013,829.32**
Non-current liabilities:			
Total non-current liabilities		**-**	**-**
Total liabilities		**45,215,903.63**	**78,013,829.32**
Owner's equity (or shareholder's equity):			
Paid-in capital	17	123,963,336.17	102,818,436.17
Retained earnings	18	(65,486,349.24)	(54,993,103.90)
Total owner's equity contributable to parent company		**58,476,986.93**	**47,825,332.27**
Total liabilities and owner's equity (or shareholder's equity)		**103,692,890.56**	**125,839,161.59**

The Notes are the following parts of the statements.

Legal Representative: AMITAVA GHOSH

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: XIA MEI

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

		Notes	Current period	Prior period
I.	**Total operating income**	**19**	**166,520,371.42**	**172,875,217.21**
	Less: Operating cost	19	155,629,156.68	156,447,008.75
	Taxes and its additions	20	785,426.32	549,342.67
	Selling expenses		5,652,539.34	9,295,472.50
	Administrative expenses		13,101,106.93	20,912,027.00
	Financial expenses	21	1,740,442.20	795,778.51
II.	**Operating profit**		**(10,388,300.05)**	**(15,124,412.22)**
	add: Non-operating income	22	1,410,719.10	1,765,229.51
	Less: Non-operating expenses	23	1,515,664.39	20,080.02
III.	**Total profit**		**(10,493,245.34)**	**(13,379,262.73)**
	Less: income tax expenses		-	-
IV.	**Net profit**		**(10,493,245.34)**	**(13,379,262.73)**
	Incl.: Net profit from on-going operations		(10,493,245.34)	(13,379,262.73)
	Net profit from discontinued operations		-	-
V.	**Other net comprehensive income after tax**		-	-
VI.	**Total comprehensive income**		(10,493,245.34)	(13,379,262.73)

The Notes are the following parts of the statements.

Legal Representative:	AMITAVA GHOSH
Person in charge of accounting function:	XIA MEI
Person in charge of accounting department:	XIA MEI

TECH MAHINDRA (SHANGHAI) CO., LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

Item		Current period	Prior period
I	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	207,502,718.43	147,683,801.93
	Tax refund	-	1,167,273.66
	Other cash received relating to operating activities	680,896.97	1,875,938.97
	Sub-total of cash inflows from operating activities	**208,183,615.40**	**150,727,014.56**
	Cash paid for goods and services	32,560,446.78	20,435,442.64
	Cash paid to and on behalf of employees	143,333,810.23	158,562,658.33
	Payments of taxes and levies	8,101,979.93	7,542,068.26
	Cash paid relating to other operating activities	7,279,326.56	10,224,429.52
	Sub-total of cash outflows from operating activities	**191,275,563.50**	**196,764,598.75**
	Net cash flows from operating activities	**16,908,051.90**	**(46,037,584.19)**
II	**Cash flows from investing activities:**		
	Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	12,790.00	-
	Sub-total of cash outflows from investing activities	**12,790.00**	**-**
	Cash paid to acquire fixed assets, intangible assets, and other long-term assets	1,684,631.84	10,271,063.05
	Sub-total of cash outflows from investing activities	**1,684,631.84**	**10,271,063.05**
	Net cash flows from investing activities	(1,671,841.84)	(10,271,063.05)
III	**Cash flows from financing activities:**		
	Cash received from capital contribution	21,144,829.52	-
	Cash received from borrowings	17,500,000.00	41,600,000.00
	Sub-total of cash inflows from financing activities	**38,644,829.52**	**41,600,000.00**
	Cash repayments of borrowings	54,600,000.00	-
	Cash payments for dividends, profits, or interest expenses	1,555,311.07	430,623.41
	Sub-total of cash outflows from financing activities	**56,155,311.07**	**430,623.41**
	Net cash flows from financing activities	(17,510,481.55)	41,169,376.59
IV	**Effect of foreign exchange rate changes on cash and cash equivalents**	**(42,206.30)**	**(206,600.90)**
V	**Net increase in cash and cash equivalents**	**(2,316,477.79)**	**(15,345,871.55)**
Add:	Beginning balance of cash and cash equivalents	7,374,318.38	22,720,189.93
VI	**Ending balance of cash and cash equivalents**	**5,057,840.59**	**7,374,318.38**

The Notes are the following parts of the statements.

Legal Representative: AMITAVA GHOSH

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: XIA MEI

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

	Paid-in capital	Capital reserve	Surplus reserve	Undistributed profit	Total owner's equity
Closing Balance at 31 December 2018	102,818,436.17	-	-	(41,613,841.17)	61,204,595.00
Beginning Balance at 1 January 2019	**102,818,436.17**	**-**	**-**	**(41,613,841.17)**	**61,204,595.00**
Net profit	—	—	—	(13,379,262.73)	(13,379,262.73)
Other comprehensive income	-	-	-	-	-
Capital contributions or decreases by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in 2019	-	-	-	(13,379,262.73)	(13,379,262.73)
Closing Balance at 31 December 2019	**102,818,436.17**	**-**	**-**	**(54,993,103.90)**	**47,825,332.27**

	Paid-in capital	Capital reserve	Surplus reserve	Undistributed profit	Total owner's equity
Closing Balance at 31 December 2019	102,818,436.17	-	-	(54,993,103.90)	47,825,332.27
Beginning Balance at 1 January 2020	**102,818,436.17**	**-**	**-**	**(54,993,103.90)**	**47,825,332.27**
Net profit	—	—	—	(10,493,245.34)	(10,493,245.34)
Other comprehensive income	-	-	-	-	-
Capital contributions or decreases by owners	21,144,900.00	-	—	—	21,144,900.00
Capital contributions by owners	21,144,900.00	-	—	—	21,144,900.00
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in 2020	21,144,900.00	-	-	(10,493,245.34)	10,651,654.66
Closing Balance at 31 December 2019	**123,963,336.17**	**-**	**-**	**(65,486,349.24)**	**58,476,986.93**

The Notes are the following parts of the statements.

Legal Representative:	AMITAVA GHOSH
Person in charge of accounting function:	XIA MEI
Person in charge of accounting department:	XIA MEI

TECH MAHINDRA (SHANGHAI) CO., LTD.

NOTES TO FINANCIAL STATEMENTS OF 2020

(All amounts in RMB Yuan unless otherwise stated)

1 GENERAL INFORMATION OF THE COMPANY.

Tech Mahindra (Shanghai) Co., Ltd. ("the Company") is a limited liability company (wholly-owned foreign corporation) invested by Tech Mahindra Limited. Registered at China (Shanghai) Pilot Free Trade Zone Market Supervision Administration, the Company was established on December 23, 2002 and obtained the business license with Uniform Social Credit Code No. 91310115744229270H. Residential address of the Company is Room 23102, 23104, 23202, 23204, Pudong Software Park, No.498 Guoshoujing Road, China (Shanghai) Pilot Free Trade Zone and the registered capital is USD 16,900,000. The Company has an approved operating period of 20 years.

The approved business scope is: software designing, developing, production, testing and maintenance (including embedded system software, computer aid design, manufactory and engineering service softwares, enterprise resource solution softwares, enterprise integrating softwares, custom relationship management softwares etc.); sales of the self-produced products and related technical consulting services; providing outsourcing design, research and development services in the fields of machinery and electronics; providing comprehensive logistics solution design; wholesale, import & export and agency business(except auction) of electronic equipment, machinery and parts, steel products, computer hardwares and softwares, and providing related technical and auxiliary services. （Goods under state trade control are not included, and activities related to administrative permission should be operated with approval）

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Business enterprises" as promulgated by the State of the People's Republic of China.

3 PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the transaction date of the month in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

Accounts receivable

Accounts receivable comprises related party receivables and receivables from non-related parties.

The Company makes specific bad debts provision on an individual basis for accounts receivable that are distinctively different from any other receivable in recoverability. If there are indications that the balances cannot be recovered, the specific provision will be adjusted accordingly.

Other receivables

Specific provisions are made for other receivables on an individual basis.

Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	Estimated Useful Lives	Estimated Residual Value	Annual Depreciation Rate
Computer	3 yrs	0%	33.33%
Network equipment	5 yrs	0%	20.00%
Offince equipment	3 / 5 yrs	0%	33.33% / 20.00%
Furniture	3 yrs	0%	33.33%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

The repair and maintenance expenses of fixed assets should be expensed directly for the current period. Subsequent expenditures for major reconstruction, expansion, improvement and renovation are capitalized when it is probable that future economic benefits in excess of the original assessment of performance will flow to the Company; the other subsequent expenditures should be recognized as costs or expenses for the current period. Capitalized expenditures arising from major reconstruction, expansion and improvement are depreciated using the straight-line method over the remaining useful lives of the fixed assets. The renovation expenses are depreciated using the straight-line method over the shorter of the interval of renovation and the estimated useful lives.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful lives, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Borrowing costs

Borrowing costs, including interests and ancillary costs, incurred in connection with specific borrowings obtained for the acquisition or construction of fixed assets are capitalized as costs of the fixed assets when capital expenditures and borrowing costs are incurred and the activities have commenced to enable the assets to be ready for their intended use. The capitalization of borrowing costs ceases when the assets are ready for their intended use. Borrowing costs incurred thereafter are expensed.

(k) Revenue recognition

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(l) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(m) Accounting for income taxes

The Company accounts for enterprise income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

4 TAXATION

Major applicable taxes and tax rate for the Company:

Tax	Tax rate (%)	Tax base
General VAT taxpayer	13.6	Taxable sales
Enterprise income taxes	25	Payable turnover tax
City maintenance tax	7.1	Payable turnover tax
Education surtax	3	Payable turnover tax
Local education surtax	.2	Payable turnover tax

5 CASH AND CASH EQUIVALENTS

	Ending balance	Beginning balance
Cash in bank	5,057,840.59	7,374,318.38
Total	5,057,840.59	7,374,318.38

6 ACCOUNTS RECEIVABLE

	Ending balance	Beginning balance
Accounts receivable	91,852,253.08	113,644,027.28
Provision for Bad debt allowance	4,291,817.29	10,405,017.56
Book balance	87,560,435.79	103,239,009.72

Aging analysis of receivables

	Ending balance			Beginning balance		
	Amount	**Rate%**	**Bad debt allowance**	Amount	Rate%	Bad debt allowance
within 1 year	88,516,776.64	96.37	956,340.85	103,520,484.31	91.09	281,474.59
1-2 years	-	-	-	575,721.58	0.51	575,721.58
2-3 years	498,236.18	0.54	498,236.18	931,741.25	0.82	931,741.25
over 3 years	2,837,240.26	3.09	2,837,240.26	8,616,080.14	7.58	8,616,080.14
Total	**91,852,253.08**	**100.00**	**4,291,817.29**	**113,644,027.28**	**100.00**	**10,405,017.56**

Debtors with large amounts:

Name of debtors	**Amount**	**Nature**	**Aging**
Customer A	48,155,494.11	Service fee	Within 1 year
Customer B	8,754,694.88	Service fee	Within 1 year

7 ADVANCE TO SUPPLIERS

	Ending balance		**Beginning balance**	
	Amount	**%**	**Amount**	**%**
within 1 year	1,539,656.26	100.00	1,075,683.73	100.00
Total	**1,539,656.26**	**100.00**	**1,075,683.73**	**100.00**

Debtors with large amounts:	**Amount**	**Nature**	**Aging**
Customer A	600,172.00	Project advance payment	within 1 year

8 OTHER RECEIVABLES

	Ending balance	Beginning balance
	1,955,608.55	2,781,734.72

	Ending balance		Beginning balance	
	Amount	%	Amount	%
Within 1 yr	524,500.67	26.82	1,680,602.00	60.42
1-2 ys	1,005,210.81	51.40	450,000.00	16.18
2-3 ys	-	-	250,170.00	8.99
Over 3 ys	425,897.07	21.78	400,962.72	14.41
Total	**1,955,608.55**	**100.00**	**2,781,734.72**	**100.00**

9 FIXED ASSETS

Item	Ending balance	Beginning balance
Fixed assets	2,199,199.09	1,089,136.51
Total	**2,199,199.09**	**1,089,136.51**

Debtors with large amounts:

Name of debtors	Ending Balance	Descriptions	Aging
Customer A	922,587.00	Deposit	1-2 ys

9 FIXED ASSETS

Item	Ending balance	Beginning balance
Fixed assets	1,596,378.73	2,199,199.09
Total	**1,596,378.73**	**2,199,199.09**

9.1 FIXED ASSETS – COST

	Beginning balance	Increase	Decrease	Ending balance
Network equipment	2,693,723.89	3,922.12	-	2,697,646.01
Computer	4,043,866.22	266,372.00	-	4,310,238.22
Offince equipment	2,343,911.46	149,600.38	34,956.92	2,458,554.92
Furniture	338,141.74	2,920.35	-	341,062.09
Total	**9,419,643.31**	**422,814.85**	**34,956.92**	**9,807,501.24**

9.2 ACCUMULATED DEPRECIATION

	Beginning balance	Increase	Decrease	Ending balance
Network equipment	2,157,502.81	160,672.41	-	2,318,175.22
Computer	2,493,590.29	795,937.40	-	3,289,527.69
Offince equipment	2,234,560.84	66,478.58	34,956.22	2,266,083.20
Furniture	334,790.28	2,546.12	-	337,336.40
Total	**7,220,444.22**	**1,025,634.51**	**34,956.22**	**8,211,122.51**

9.3 FIXED ASSETS – NET

Item	**Ending balance**	Beginning balance
Network equipment	379,470.79	536,221.08
Computer	1,020,710.53	1,550,275.93
Offince equipment	192,471.72	109,350.62
Furniture	3,725.69	3,351.46
Total	**1,596,378.73**	**2,199,199.09**

10 LONG-TERM DEFERRED EXPENSES

	Beginning balance	**Increase**	**Decrease**	**Ending balance**
Leasehold improvements	9,169,214.95	-96,775.03	3,493,828.89	5,578,611.03
Software and maintenance	1.00	-	-	1.00
Total	**9,169,215.95**	**-96,775.03**	**3,493,828.89**	**5,578,612.03**

11 SHORT-TERM LOAN

Bank	**Type of loan**	**Interest rate**	**Ending balance**	**Beginning balance**
HSBC	Credit	4.785%	4,500,000.00	41,600,000.00
Total			**4,500,000.00**	**41,600,000.00**

Detailed guarantee information is listed as follows:

The Company signed loan contract with HSBC of maximun credit amount of RMB 80 million, among which maximum amount of liquidity loan was RMB 60 million. By end of December 31 2020, the Company has issued guarantee of RMB 20.6 million to Huawei Technology Co.,Ltd.

12 ACCOUNTS PAYABLE

Creditors with large amounts:	**Ending balance**	Description
Tech Mahindra Limited	22,320,451.83	25,346,725.93

Creditors with large amounts:

Name of debtors	**Ending Balance**	**Descriptions**
Customer A	21,588,513.39	Service fee

13 ADVANCES

Ending balance	Beginning balance
6,582,371.18	1,463,079.71

Creditors with large amounts:

Name of debtors	**Ending Balance**	**Descriptions**
Customer A	2,599,462.00	Service fee
Customer B	1,791,247.36	Service fee
Angola Water	1,600,837.30	Service fee

14 EMPLOYEE BENEFITS PAYABLE

	Ending balance	Beginning balance
Wages payable	1,649,108.45	1,736,383.62
Total	**1,649,108.45**	**1,736,383.62**

15 TAXES PAYABLE

Taxes	**Ending balance**	Beginning balance
Value added tax	-	854,127.80
Individual income tax	617,760.45	842,341.15
Enterprise income tax	-0.07	-0.07
Subtotal	617,760.38	1,696,468.88
Others	74,654.48	104,685.38
Total	**692,414.86**	**1,801,154.26**

16 OTHER PAYABLE

Item	**Ending balance**	Beginning balance
Other payments	9,471,557.31	6,066,485.80
Total	**9,471,557.31**	**6,066,485.80**

16.1 OTHER PAYABLES

Creditor with large amount	**Ending balance**	Description
Tech Mahindra Limited	1,995,035.77	Current account

17 PAID-IN CAPITAL

Name of Investor	**Ending balance**		**Beginning balance**	
	Registered Capital (USD)	**Registered Capital (RMB)**	**Registered Capital (USD)**	**Registered Capital(RMB)**
Tech Mahindra Limited	16,900,000.00	123,963,336.17	13,900,000.00	102,818,436.17
Total	**16,900,000.00**	**123,963,336.17**	**13,900,000.00**	**102,818,436.17**

The paid-in capital has been verified by Shanghai Linfang CPA Co., Ltd with the Capital Verification Report(2011) No.BY0116.The newly invested capital of this period has not been verified.

18 UNDISTRIBUTED PROFITS

Creditor with large amount	**Ending balance**	Beginning balance
Undistributed profits at beginning of year	(54,993,103.90)	(41,613,841.17)
Current year net profit	(10,493,245.34)	(13,379,262.73)
Distributable profit	(65,486,349.24)	(54,993,103.90)
Undistributed profits at the end of year	(65,486,349.24)	(54,993,103.90)

19 REVENUES FROM MAIN OPERATION

Item	**Current period**	Prior period
Operation income	166,520,371.42	172,875,217.21
Incl. Main operation income	166,520,371.42	172,875,217.21
Operation cost	155,629,156.68	156,447,008.75
Incl. Main operation cost	155,629,156.68	156,447,008.75

19.1 REVENUES FROM MAIN OPERATION

Item	Current period	Prior period
Software designing, developing and maintenance (Domestic)	143,071,335.93	152,238,578.48
Software designing, developing and maintenance (Overseas)	20,615,478.94	19,131,306.81
Sales of goods (Domestic)	2,318,569.59	1,172,147.12
Sales of goods (Overseas)	-	29,115.04
Leasing	514,986.96	304,069.76
Total	**166,520,371.42**	**172,875,217.21**

20 TAX AND ITS ADDITIONS

Item	Current period	Prior period
City maintenance tax	352,743.08	194,969.80
Education surcharges	346,403.95	296,265.07
Stamp dutys	86,279.29	58,107.80
Total	**785,426.32**	**549,342.67**

21 FINANCE EXPENSES

Item	Current period	Prior period
Interest expenses	1,208,292.24	430,623.41
Less:Interest income	37,678.25	110,709.46
Exchange losses/gains-net	538,124.78	206,600.90
Other finance expenses	31,703.43	269,263.66
Total	**1,740,442.20**	**795,778.51**

22 NON-OPERATING INCOMES

Item	Current period	Prior period
Subsidy	455,890.00	1,215,245.66
Additional VAT deduction	732,986.34	549,983.82
IIT refund	187,328.72	-
Salary payables written off	34,234.04	-
VAT exemption	280.00	-
Rounding off	-	0.03
Total	**1,410,719.10**	**1,765,229.51**

23 NON-OPERATING EXPENSES

Item	Current period	Prior period
Disposal of fixed assets and long-term deferred expenses	1,515,664.24	-
Rounding off	0.15	-
Invoices lost	-	6,226.31
Receivables unable to collect	-	13,853.71
Total	**1,515,664.39**	**20,080.02**

25 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Customer A	Investor
Customer B	Controlled by the same party
Customer C	Controlled by the same party

Related party transactions

Name of Entity	Description	Transactions in 2019
Customer A	Rendering services	11,582,142.22
Customer B	Receiving services	4,368,012.33
Customer C	Rendering services	1,893,255.90

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Customer A	Accounts receivable	Rendering services	595,263.85
Customer A	Accounts payable	Receiving services	21,588,513.39
Customer A	Other payables	Paid on behalf	1,995,035.77
Customer B	Accounts receivable	Rendering services	1,008,097.75

25 CONTINGENCIES

No disclosure is required.

26 EVENTS AFTER THE REPORTING PERIOD

No disclosure is required.

27 COMPARISON INFORMATION

The comparison information has been reclassified so as to be in line with the information reported for the year 2020.

28 OTHERS

No disclosure is required.

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)

ADJUSTMENTS TO INCOME BEFORE TAX

Account or subaccount name	Description (Reference included)	Adjusted amount for taxable income	Remarks
Increases to the taxable amounts			
Accrued expense	Accrued but unpaid expenses	1,649,111.93	Leave encashment accrue
Administrative expenses	Bad debt provisions	4,291,817.29	Bad-debt provision
Accrued expense	Accrued but unpaid expenses	9,288,233.22	
Administrative expenses	Property losses	2,500.00	
Administrative expenses	Entertainment expenses exceed deductible limit	38,765.46	
Total increases to the taxable amount		**15,270,427.90**	
Decreases to the taxable amounts			
Accrued expense	Accrued but unpaid expenses	1,736,387.10	Leave encashment accrue
Administrative expenses	Bad debt provisions	10,405,017.56	Bad-debt provision
Accrued expense	Accrued but unpaid expenses	529,952.12	
Administrative expenses	Additional deduction	122,997.33	
Total decreases to the taxable amount		**12,794,354.11**	
Adjustments - net			2,476,073.79
Audited income before tax			(10,493,245.34)
Taxable income after adjustment			(8,017,171.55)

Note: The taxable income shall be finally settled by tax authorities

TECH MAHINDRA (NANJING) COMPANY LTD

Board of Directors
Mr. Amitava Ghosh
Mr. Ravi Yellajosula
Mr. Mukesh Sharma

Registered Office
Suite 413-246, Business
Building, Nanjing Hightech
Industry Developing
Zone, Nanjing

Bankers
Standard Chartered Bank
China Merchant Bank

Auditors
Shanghai Linfang Certified Public Accountants Co., Ltd.

DIRECTORS ' REPORT

Your directors present their report together with the audited accounts of your company for the year ended December 31, 2020.

Financial Results

For the years ended December 31	2020 RMB	2019 RMB
Income	**1,290,220.45**	1,840,488
Profit/(Loss) before tax	**239,847.29**	359,920
Profit/(Loss) after tax	**229,021.67**	342,255

Review of Operations:

During the year under review, your company recorded an income of RMB –1290220.45-, a decrease of -30%-- over the previous year. Profit after tax was RMB -229021.67- an decrease of -33%-- over the previous year. The Company continues to invest in strengthening its marketing infrastructure in China

Outlook for the Current Year:

The liquidation process initiated earlier was withdrawn due to business reasons.

The future is cautiously optimistic.

Acknowledgments:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For Tech Mahindra (Nanjing) Company Ltd

Amitava Ghosh
Director

Place: Nanjing, China
Date : April 13, 2021

INDEPENDENT AUDITORS' REPORT

TO TECH MAHINDRA (NANJING) CO., LTD.

1. Opinion

We have audited the financial statements of Tech Mahindra (Nanjing) CO., LTD. (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business Enterprises".

2. Basis for Opinion

We conducted our audit in accordance with China Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with China Accounting Standards for Business Enterprises and the China "Accounting System for Business Enterprises", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

4. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 assurance, but is not a guarantee that an audit conducted in accordance with China Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

During the process of our audit in accordance with China Auditing Standards, we exercise professional judgment and maintain professional skepticism. We also:

(1) 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, the risk of not finding a material misstatement resulting from fraud is higher than for one resulting from error.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we shall not express unqualified 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.

(5) 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.

We communicate with the those Charged with Governance about planned scope and timing of the audit, as well as significant findings from the audit, including notable internal control weaknesses identified from the audit.

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Chen Jie, China Certified Public Accountant

____

Su yalan, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,

Shanghai China

April 13, 2021

TECH MAHINDRA (NANJING) COMPANY LTD

BALANCE SHEET AS AT DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

Assets	Notes	**Ending balance**	**Beginning balance**
Current assets:			
Cash and cash equivalents	5	9,511,111.89	5,764,558.08
Accounts receivable	6	53,080.02	125,345.80
Advance to suppliers	7	8,416.00	8,416.00
Other receivables	8	15,559.45	3,440,386.00
Other current assets	9	685.53	4,774.67
Total current assets		**9,588,852.89**	**9,343,480.55**
Non-current assets:			
Fixed assets	10	29,539.18	64,030.03
Long-term deferred expenses	11	85.33	1,365.88
Total non-current assets		**29,624.51**	**65,395.91**
Total assets		**9,618,477.40**	**9,408,876.46**
Current liabilities:			
Accounts payable	12	8,568.60	-
Employee benefits payable	13	27,096.90	50,431.72
Taxes and dues payable	14	1,412.59	6,390.18
Other payables	15	16,353.68	16,030.60
Total liabilities		**53,431.77**	**72,852.50**
Non-current liabilities:			
Total non-current liabilities		**-**	**-**
Total liabilities		**53,431.77**	**72,852.50**
Owner's equity (or shareholder's equity):			
Paid-in capital	16	52,646,896.26	52,646,896.26
Retained earnings	17	(43,081,850.63)	(43,310,872.30)
Total owner's equity		**9,565,045.63**	**9,336,023.96**
Total liabilities and owner's equity		**9,618,477.40**	**9,408,876.46**

The Notes are the following parts of the statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	XIA MEI
Person in charge of accounting department:	TAO WANZHU

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

		Notes	Current period	Prior period
I.	**Total operating income**	**18**	**1,290,220.45**	**1,840,488.09**
	Less: Operating cost	18	752,303.27	789,494.61
	Taxes and additions	19	-	593.60
	Administrative expenses		371,612.96	749,824.77
	Financial expenses	20	(73,406.73)	(36,261.43)
II.	**Operating profit**		**239,710.95**	**336,836.54**
	add: Non-operating income	21	136.34	23,083.70
III.	**Total profit**		**239,847.29**	**359,920.24**
	Less: income tax expenses		10,825.62	17,665.71
IV.	**Net profit**		**229,021.67**	**342,254.53**
	Incl.: Net profit from on-going operations		229,021.67	342,254.53
	Net profit from discontinued operations		-	-
V.	**Other net comprehensive income after tax**		**-**	**-**
VI.	**Total comprehensive income**		**229,021.67**	**342,254.53**

The Notes are the following parts of the statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	XIA MEI
Person in charge of accounting department:	TAO WANZHU

TECH MAHINDRA (NANJING) COMPANY LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

Item		Current period	Prior period
I	**Cash flows from operating activities:**		
	Cash received from sale of goods and rendering of services	1,366,855.37	2,157,478.16
	Tax refund	-	4,934.21
	Other cash received relating to operating activities	3,516,953.38	67,022.91
	Sub-total of cash inflows from operating activities	**4,883,808.75**	**2,229,435.28**
	Cash paid for goods and services	247,188.12	11,800.00
	Cash paid to and on behalf of employees	755,633.05	1,227,262.84
	Payments of taxes and levies	15,157.66	26,566.43
	Cash paid relating to other operating activities	102,706.78	3,844,126.43
	Sub-total of cash outflows from operating activities	**1,120,685.61**	**5,109,755.70**
	Net cash flows from operating activities	**3,763,123.14**	**(2,880,320.42)**
II	**Cash flows from investing activities:**		
	Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	-	31,751.26
	Sub-total of cash inflows from investing activities	-	31,751.26
	Sub-total of cash outflows from investing activities	**-**	**-**
	Net cash flows from investing activities	**-**	**31,751.26**
III	**Cash flows from financing activities:**		
	Sub-total of cash inflows from financing activities	-	-
	Sub-total of cash outflows from financing activities	-	-
	Net cash flows from financing activities	-	-
IV	**Effect of foreign exchange rate changes on cash and cash equivalents**	**(16,569.33)**	**(5,550.50)**
V	**Net increase in cash and cash equivalents**	**3,746,553.81**	**(2,854,119.66)**
Add:	Beginning balance of cash and cash equivalents	5,764,558.08	8,618,677.74
VI	**Ending balance of cash and cash equivalents**	**9,511,111.89**	**5,764,558.08**

The Notes are the following parts of the statements.

Legal Representative: SREENIVASA MURTY ACHUTUNI

Person in charge of accounting function: XIA MEI

Person in charge of accounting department: TAO WANZHU

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31 2020

(All amounts in RMB Yuan unless otherwise stated)

	Paid-in capital	Capital reserve	Surplus reserve	Undistributed profit	Total owner's equity
Closing Balance at 31 December 2018	**52,646,896.26**	**-**	**-**	**(43,653,126.83)**	**8,993,769.43**
Beginning Balance at 1 January 2019	52,646,896.26	-	-	(43,653,126.83)	8,993,769.43
Net profit	—	—	—	342,254.53	342,254.53
Other comprehensive income	-	-	-	-	-
Capital contributions or decreases by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Movements in 2019	-	-	-	342,254.53	342,254.53
Closing Balance at 31 December 2019	**52,646,896.26**	**-**	**-**	**(43,310,872.30)**	**9,336,023.96**
Closing Balance at 31 December 2019	**52,646,896.26**	**-**	**-**	**(43,310,872.30)**	**9,336,023.96**
Beginning Balance at 1 January 2020	**52,646,896.26**	**-**	**-**	**(43,310,872.30)**	**9,336,023.96**
Net profit	—	—	—	229,021.67	229,021.67
Other comprehensive income	-	-	-	-	-
Capital contributions or decreases by owners	-	-	—	—	-
Profit appropriation	—	—	-	-	-
Transfer between equity components	-	-	-	-	-
Movements in 2020	-	-	-	229,021.67	229,021.67
Closing Balance at 31 December 2020	**52,646,896.26**	**-**	**-**	**(43,081,850.63)**	**9,565,045.63**

The Notes are the following parts of the statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	XIA MEI
Person in charge of accounting department:	TAO WANZHU

NOTES TO FINANCIAL STATEMENTS OF 2020

(All amounts in RMB Yuan unless otherwise stated)

1 GENERAL INFORMATION OF THE COMPANY

Tech Mahindra (Nanjing) Co., Ltd.(Formerly Satyam Computer Services (Nanjing) Co., Ltd.) (”the Company”) is a wholly owned foreign enterprise invested by Tech Mahindra Limited. Registered at Nanjing Administration of Industry and Commerce, the Company was established on June 29,2007 and obtained the business license with Uniform Social Credit Code No.913201006606980458. Residential address of the Company is Suite 413-246, Business Building, Nanjing High-tech Industry Developing Zone and the registered capital is USD 7.65 million. The Company has an approved operating period of 50 years.

The approved business scope is: software designing, developing, writing, testing, maintenance (including embedded system software, computer aid design, manufacturing and engineering service software, enterprise resource planning software, enterprise integrating software, customer relationship management software etc.); sales of the self-produced products and related technical consulting. (Activities related to administrative permission should be operated with approval).

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and “Accounting System for Business enterprises” as promulgated by the State of the People’s Republic of China.

3 PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The company’s accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People’s Bank of China (“the stipulated exchange rates”) on the first day of the month in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been made specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term deferred expenses.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates. Exchange differences arising from foreign currency capital contribution should be recognized as capital surplus.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

Accounts receivable

Accounts receivable comprises related party receivables and receivables from non-related parties.

Other receivables

Specific provisions are made for other receivables on an individual basis.

Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

(g) Fixed assets and depreciation(Continued)

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	Estimated Useful Lives	Estimated Residual Value	Annual Depreciation Rate
electronic equipment	2-7 yrs	0%	14.28-50%
office supplies	3-5 yrs	0%	20.00-33.33%
furniture	5 yrs	0%	20.00%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful lives of the leased asset, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, the Company retains neither continuing managerial involvement nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Company and the relevant revenue and costs can be measured reliably.

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(k) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(l) Accounting for income taxes

The Company accounts for enterprise income taxes using the tax payable method.Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

4 TAXATION

Major applicable taxes and tax rate for the Company:

Tax	Tax rate (%)	Tax base
General VAT taxpayer	6	Taxable sales
Enterprise income taxes	25	Payable turnover tax
City maintenance tax	7	Payable turnover tax
Education surtax	3	Payable turnover tax
Local education surtax	2	Payable turnover tax

The company implements Cai Shui [2019] No. 13 standards for micro and small companies this year,the portion of annual taxable income not exceeding 1 million yuan shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at a 20% tax rate.The portion of annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan shall be included in the taxable income at a reduced rate of 50% and the enterprise income tax shall be paid at a 20% tax rate.

5 CASH AND CASH EQUIVALENTS

	Ending balance	Beginning balance
Cash in bank	9,511,111.89	5,764,558.08
Total	**9,511,111.89**	**5,764,558.08**

6 ACCOUNTS RECEIVABLE

	Ending balance	Beginning balance
Accounts receivable	54,192.17	126,457.95
Provision for Bad debt allowance	1,112.15	1,112.15
Book balance	53,080.02	125,345.80

Aging analysis of receivables

	Ending balance			Beginning balance		
	Amount	Rate%	Bad debt allowance	Amount	Rate%	Bad debt allowance
within 1 year	53,080.02	97.95	-	125,345.80	99.12	-
over 3 years	1,112.15	2.05	1,112.15	1,112.15	0.88	1,112.15
Total	**54,192.17**	**100.00**	**1,112.15**	**126,457.95**	**100.00**	**1,112.15**

Debtors with large amounts:

Name of debtors	Amount	Nature	Aging
Customer A	53,080.02	Service fee	within 1 year

7 PREPAYMENT

	Ending balance		Beginning balance	
	Amount	%	Amount	%
within 1 year	8,416.00	100.00	8,416.00	100.00
Total	**8,416.00**	**100.00**	**8,416.00**	**100.00**

8 OTHER RECEIVABLE PAYMENTS

Item	End balance	Beginning balance
Interest receivable	11,559.45	186,386.00
Other receivables	4,000.00	3,254,000.00
Total	**15,559.45**	**3,440,386.00**

8.1 Interest receivable

Item	Beginning balance	Increase	Decrease	Ending balance
Deposit	8,200.00	38,978.62	35,619.17	11,559.45
Intercompany loan	178,186.00	77,188.14	255,374.14	-
Total	**186,386.00**	**116,166.76**	**290,993.31**	**11,559.45**

8.2 Other receivables

End balance	Beginning balance
4,000.00	**3,254,000.00**

The ageing as at year end are as follows:

	Ending balance		Beginning balance	
	Amount	**%**	**Amount**	**%**
Within 1 yr	-	-	3,254,000.00	100.00
1-2 ys	4,000.00	100.00	-	-
Total	**4,000.00**	**100.00**	**3,254,000.00**	**100.00**

9 OTHER CURRENT ASSETS

Item	Ending balance	Beginning balance
VAT to be deducted	685.53	4,774.67
Total	**685.53**	**4,774.67**

10 FIXED ASSETS

Item	Ending balance	Beginning balance
Fixed assets	29,539.18	64,030.03
Total	**29,539.18**	**64,030.03**

10.1 FIXED ASSETS – COST

	Beginning balance	Increase	Decrease	Ending balance
Electronic equipment	3,749,285.19	-	-	3,749,285.19
Office equipment	412,794.13	-	-	412,794.13
Furniture	52,510.00	-	-	52,510.00
Total	**4,214,589.32**	**-**	**-**	**4,214,589.32**

10.2 ACCUMULATED DEPRECIATION

	Beginning balance	Increase	Decrease	Ending balance
Electronic equipment	3,695,391.03	30,731.22	-	3,726,122.25
Office equipment	402,658.26	3,759.63	-	406,417.89
Furniture	52,510.00		-	52,510.00
Total	**4,150,559.29**	**34,490.85**	**-**	**4,185,050.14**

10.3 FIXED ASSETS – NET

	Ending balance	Beginning balance
Electronic equipment	23,162.94	53,894.16
Office equipment	6,376.24	10,135.87
Furniture	-	-
Total	**29,539.18**	**64,030.03**

11 LONG-TERM DEFERRED EXPENSES

	Beginning balance	Increase	Decrease	Ending balance
Leasehold improvement	1,365.88	-	1,280.55	85.33
Total	**1,365.88**	**-**	**1,280.55**	**85.33**

12 ACCOUNTS PAYABLE

	Ending balance	Beginning balance
	8,568.60	**-**

13 EMPLOYEE BENEFITS PAYABLE

	Ending balance	Beginning balance
Wages payable	27,096.90	50,431.72
Total	**27,096.90**	**50,431.72**

14 TAXES PAYABLE

Taxes	Ending balance	Beginning balance
Individual income tax	804.93	2,497.98
Enterprise income tax	607.66	3,892.20
Total	**1,412.59**	**6,390.18**

15 OTHER PAYABLE

Item	Ending balance	Beginning balance
Other payments	16,353.68	16,030.60
Total	**16,353.68**	**16,030.60**

15.1 OTHER PAYABLES

Item	Ending balance	Beginning balance
Total	**16,030.60**	**22,509.31**

16 PAID-IN CAPITAL

Name of Investor	Ending balance		Beginning balance	
	Registered Capital (USD)	Registered Capital (RMB)	Registered Capital (USD)	Registered Capital(RMB)
Tech Machindra Limited	7,650,000.00	52,646,896.26	7,650,000.00	52,646,896.26
Total	**7,650,000.00**	**52,646,896.26**	**7,650,000.00**	**52,646,896.26**

The paid-in capital has been verified by Jiangsu Zhongtianxin CPA Co., Ltd with the Capital Verification Report No.22[2013].

17 UNDISTRIBUTED PROFITS

Item	Ending balance	Beginning balance
Undistributed profits at beginning of year	(43,310,872.30)	(43,653,126.83)
Current year net profit	229,021.67	342,254.53
Distributable profit	(43,081,850.63)	(43,310,872.30)
Undistributed profits at the end of year	**(43,081,850.63)**	**(43,310,872.30)**

18 REVENUES FROM MAIN OPERATION

	Current period	Prior period
Operation income	1,290,220.45	1,840,488.09
Incl. Main operation income	1,217,401.45	1,672,388.09
Other operation income	72,819.00	168,100.00
Operation cost	752,303.27	789,494.61
Incl. Main operation cost	752,303.27	789,494.61

18.1 REVENUES FROM MAIN OPERATION

Item	Current period	Prior period
Software designing, developing and maintenance (Exports)	1,217,401.45	1,672,388.09
Total	**1,217,401.45**	**1,672,388.09**

18.2 REVENUES FROM OTHER OPERATIONS

Item	Current period	Prior period
Interest income	72,819.00	168,100.00
Total	**72,819.00**	**168,100.00**

19 Tax and its additions

Item	Current period	Prior period
Stamp dutys	-	593.60
Total	**-**	**593.60**

20 FINANCE EXPENSES

	Current period	Prior period
Interest expenses	-	-
Less:Interest income	91,990.49	43,939.21
Exchange losses/gains-net	16,569.33	5,550.50
Other finance expenses	2,014.43	2,127.28
Total	**(73,406.73)**	**(36,261.43)**

21 NON-OPERATING INCOMES

	Current period	Prior period
Fixed assets disposal	-	23,083.70
Personal income tax commission refund	136.34	-
Total	**136.34**	**23,083.70**

22 INCOME TAX

	Current period	Prior period
Income tax expenses of the current year	10,825.62	17,665.71
Total	**10,825.62**	**17,665.71**

(i) The applicable income tax rate of the Company for the reporting period is 20% (see note 4), and the taxable income has been reconciled from current year profit according to the prevalent tax laws and regulations.

23 RECONCILE NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

Item	Current period	Prior period
Profit/loss after tax	229,021.67	342,254.53
Add Depreciation of fixed assets	34,490.85	35,275.18
Amortization of long-term deferred expenses	1,280.55	1,561.06
Decrease of prepaid expenses (increase/-)	-	2,834.00
Increase of accrued expense (decrease/-)	114.08	(6,478.71)
Write-off of fixed assets, intangible assets and other non-current asses	-	(23,083.70)
Finance expenses	16,569.33	5,550.50
Decrease of trade and other receivables (increase/-)	3,501,181.47	(3,054,903.95)
Increase of trade and other payables (decrease/-)	(19,534.81)	(183,329.33)
Net Cash From Operating Activities	3,763,123.14	(2,880,320.42)

24 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Customer A	Investor
Customer B	Controlled by the same party

Related party transactions

Name of Entity	Description	Transactions in 2020
Customer A	Providing services	1,217,401.45
Customer B	Intercompany loan interest	72,819.00

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Customer A	Accounts Receivable	Providing service	53,080.02

25 CONTINGENCIES

No disclosure is required.

26 EVENTS AFTER THE REPORTING PERIOD

No disclosure is required.

27 COMPARISON INFORMATION

The comparison information has been reclassified so as to be in line with the information reported for the year 2020.

28 OTHERS

No disclosure is required.

TECH MAHINDRA (NANJING) COMPANY LTD

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)

ADJUSTMENTS TO INCOME BEFORE TAX

Account or subaccount name	**Description (Reference included)**	**Adjusted amount for taxable income**	**Remarks**
Increases to the taxable amounts			
Accrued Payroll	Accrued but unpaid wages and salaries	27,096.90	
Total increases to the taxable amount		27,096.90	
Decreases to the taxable amounts			
Accrued Payroll	Accrued but unpaid wages and salaries	50,431.72	
Total decreases to the taxable amount		50,431.72	
Adjustments - net			(23,334.82)
Audited income before tax			239,847.29
Taxable income after adjustment			216,512.47

Note: The taxable income shall be finally settled by tax authorities.

TECH MAHINDRA NETHERLANDS B.V.

Board of Directors
Mr. Sandeep Phadke
Mr. Mandar Vasant Bhairavkar – from 15th January 2021
Mr. Abhijeet Awekar - up to 14th January 2021
Mr. Tanveer Hussain – up to 31st August 2020

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Schiphol

Auditors
B S R & Co LLP

INDEPENDENT AUDITORS' REPORT

To the Members of

TECH MAHINDRA NETHERLANDS B.V.

Report on the Audit of Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of Tech Mahindra Netherlands B.V. ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together herein after referred to as "financial statements"). These financial statements have been prepared by the management as described in Note 2 to the financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, of the state of affairs of the Company as at 31 March 2021, and of its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date in accordance with Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as described in Note 2 to the financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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.

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

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. These financial statements are prepared to assist the Holding Company, Tech Mahindra Limited to comply with the requirements of Section 129 of the Act / in the preparation of their Consolidated Financial Statements. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted or circulated, or referred to, in correspondence or discussion, in whole or in part or distributed to anyone other than the purpose for which it has been issued without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN No.:21215165AAAABJ8420

Place: Pune
Date: May 19, 2021

TECH MAHINDRA NETHERLANDS B.V.

BALANCE SHEET AS AT MARCH 31, 2021

Amount in Euro

Balance Sheet	Note No.	31-March-2021	31-March-2020
ASSETS			
Non Current Assets			
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	3	**425,158**	-
(ii) Cash and Cash Equivalents	4	**246,393**	1,539,829
(b) Other Current Assets	5	**840,301**	1,223,736
Total Current Assets		**1,511,852**	2,763,565
Total Assets		**1,511,852**	2,763,565
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	6	**46,001**	46,001
(b) Other Equity	7	**517,663**	329,183
Total Equity		**563,664**	375,184
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises		**-**	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	8	**89,661**	50,775
(ii) Other Financial Liabilities	9	**-**	1,043,576
(b) Other Current Liabilities	10	**828,663**	1,278,726
(c) Current Tax Liabilities (Net)		**29,864**	15,304
Total Current Liabilities		**948,188**	2,388,381
Total Equity and Liabilities		**1,511,852**	2,763,565

See accompanying notes forming part of the financial statements 1 to 23

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For Tech Mahindra Netherlands B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: May 19, 2021

Sandeep Phadke
Director

Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : May 19, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Euro

Statement of Profit and Loss		Note No.	Year ended	
			31-March-2021	31-March-2020
I	Revenue from Operations	11	**3,279,127**	3,098,370
II	Other Income	12	**433**	896
II	**Total Revenue (I +II)**		**3,279,560**	3,099,266
IV	**EXPENSES**			
	Finance Costs	13	**2,630**	17,917
	Other Expenses	14	**3,044,861**	2,927,644
	Total Expenses		**3,047,491**	**2,945,561**
V	**Profit before Tax (III-IV)**		**232,069**	153,705
VI	**Tax Expense**			
	Current Tax		**43,589**	29,204
	Deferred Tax		**-**	-
	Total Tax Expense		**43,589**	29,204
VII	Profit after tax (V-VI)		**188,480**	**124,501**
VIII	**Other Comprehensive Income**			
A	I. Items that will not be reclassified to Profit or Loss		**-**	-
	II. Income Tax relating to items that will not be reclassified to Profit or Loss		**-**	-
B	I. Items that will be reclassified to Profit or Loss		**-**	-
	II. Income Tax relating to items that will reclassified to Profit or Loss		**-**	-
	Total Other Comprehensive Income (A+B)		**-**	-
IX	**Total Comprehensive Income (VII + VIII)**		**188,480**	**124,501**
	Earnings per Equity Share (Face Value Euro 1) in Euro			
	Basic		**4.10**	2.71
	Diluted		**4.10**	2.71
	See accompanying notes forming part of the financial statements	1 to 23		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: May 19, 2021

For Tech Mahindra Netherlands B.V.

Sandeep Phadke
Director
Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director
Place : Milton Keynes
Date : May 19, 2021

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Statements of Changes in Equity

A. Equity Share Capital

Amount in EURO

Balance as of April 1, 2019	**Changes in equity share capital during the year**	**Balance as of March 31, 2020**
46,001	-	46,001
Balance as of April 1, 2020	**Changes in equity share capital during the year**	**Balance as of March 31, 2021**
46,001	-	46,001

B. Other Equity -Reserves and Surplus - Retained Earnings

Amount in EURO

Particulars	**Balance as at March 31, 2021**	Balance as at March 31, 2020
Balance as at the beginning of reporting period	**329,183**	204,682
Profit for the year	**188,480**	124,501
Other Comprehensive Income (net)		
Total Comprehensive income	**517,663**	329,183

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For Tech Mahindra Netherlands B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: May 19, 2021

Sandeep Phadke
Director
Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director
Place : Milton Keynes
Date : May 19, 2021

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

	Cash Flow Statement		For the Year ended 31-March-2021		For the Year ended 31-March-2020
A	**Cash Flow from Operating Activities**				
	Profit before Tax		**232,069**		153,705
	Adjustments for :				
	Unrealized exchange loss/(gain)	**(35)**		(22)	
	Finance Costs	**2,630**		17,917	
			2,595		17,895
			234,664		**171,600**
	Changes in working capital				
	Decrease in/(increase in) trade receivables	**(425,123)**		2,928,870	
	Decrease in other assets	**383,435**		309,413	
	(Decrease in)/increase in trade payables	**38,886**		(229,823)	
	(Decrease in)/increase in provisions & other liabilities	**(450,063)**		(626,323)	
			(452,865)		2,382,137
	Cash Generated from operating activities before taxes		**(218,201)**		2,553,737
	Income Tax Paid, net		**(29,029)**		(19,710)
	Net cash generated from operating activities (A)		**(247,230)**		2,534,027
B	**Cash Flows from Investing Activities**		**-**		-
C	**Cash Flows from Financing Activities**				
	Repayment of Short-Term Borrowings	**(3,043,576)**		(1,209,822)	
	Loan taken during the year	**2,000,000**		100,000	
	Finance costs paid	**(2,630)**		(17,917)	
	Net Cash Flow from / (used in) Financing Activities (C)		**(1,046,206)**		(1,127,739)
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**(1,293,436)**		1,406,288
	Cash and Cash Equivalents at the beginning of the year		**1,539,829**		133,541
	Cash and Cash Equivalents at the end of the year(refer note 4)		**246,393**		1,539,829
	Cash and Cash Equivalents at the end of the year Comprises of				
	Balances with Banks :				
	In Current Accounts		**246,393**		1,539,829
	Total		**246,393**		1,539,829

See accompanying notes forming part of the financial statements (1-23)

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For Tech Mahindra Netherlands B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: May 19, 2021

Sandeep Phadke
Director
Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director
Place : Milton Keynes
Date : May 19, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

The Company was incorporated on November 24, 2015, with principal place of business at Maanplein 7, Gebouw 4, 2516 CK, Den Haag, Netherlands. The financial statements are expressed in Euro.

The principal activities of the Company are reselling of software licences from original equipment manufacturers (OEMs) and support services pertaining to resell of software licences.

The Company is a 100% subsidiary of Tech Mahindra Limited (India).

The financial statements of the Company for the year ended March 31, 2021 were authorised for issue by the Board of Directors on May 19, 2021.

2 Significant accounting policies:

2.1 Statement of Compliance:

The special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as amended from time to time.

2.2 Basis of preparation of financial statements

These financial statements have been presented in Euro (EUR) which is the functional currency of the Company. These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial statements have been prepared as per section 129 (1) of the Act to assist the Tech Mahindra Limited (Parent Company) for preparation of consolidated financial statements and for the purpose of compliance with the provision of section 129 and Section 136 read with Schedule III of the Companies Act, 2013.

2.3 Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Revenue recognition

Revenue is recognised upon transfer of control of promised services to the customers. The Company presents revenues net of indirect taxes in its statement of Profit and Loss.

Revenue from software licenses where the customer obtains a ‘right to use’ the licenses is recognised at the time the license is made available to the customer. Revenue from software licenses where the customer obtains a ‘right to access’ is recognised over the access period. The Company has applied the principles of Ind AS 115 to account for revenues for these performance obligations.

Revenue related to support services contracts are recognized ratably over the period in which services are provided.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability (“Unearned revenue”) arises when there are billing in excess of revenue..

2.7 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

2.8 Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.9 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

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 liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at fair value through profit & loss [FVTPL]. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as Fair Value Through Profit or Loss (FVTPL). Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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.

2.10 Taxes on income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the country.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent 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 income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.11 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.12 New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations

The Ministry of Corporate Affairs (“”MCA””) notifies new standards or amendments to the existing standards. There are no such notifications that are applicable for the Company from FY 2020-21 onwards.

Note 3 : Trade receivables: Non Current

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
		Amount in Euro
Unsecured - Considered Good	**425,158**	-
Total	**425,158**	-

Note 4 : Cash and Cash Equivalents

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
		Amount in Euro
Balances with banks		
- In Current Account	**246,393**	1,539,829
Total	**246,393**	1,539,829

Note 5 : Other Current Assets

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
		Amount in Euro
Prepaid Expenses	**840,301**	1,223,736
Total	**840,301**	1,223,736

Note 6 : Equity Share Capital

Particulars	31-Mar-2021		31-Mar-2020	
	Number	**Amount in Euro**	Number	Amount in Euro
Authorised				
Equity shares of Euro 1/- each with voting rights	**46,001**	**46,001**	46,001	46,001
Issued, Subscribed and fully Paid up:				
Equity shares of Euro 1/- each fully paid up	**46,001**	**46,001**	46,001	46,001
Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting year:				
Shares outstanding at the beginning of the year	**46,001**	**46,001**	46,001	46,001
Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**46,001**	**46,001**	46,001	46,001

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	As at 31-March-2021		As at 31-March-2020	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Limited	**46,001**	**100**	46,001	100

i) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

ii) The Company has not issued any shares during the year.

iii) The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the equity balance. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure of the Company on an ongoing basis.

Note 7 : Other Equity

Amount in Euro

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Surplus in Statement of Profit and Loss		
Opening balance	**329,183**	204,682
Add : Profit for the year	**188,480**	124,501
Add : Other Comprehensive Income	**-**	-
Closing Balance	**517,663**	329,183

Note 8 : Trade Payables

Amount in Euro

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Trade Payables	**89,661**	50,775
Total	**89,661**	50,775

Note 9 : Other Financial Liabilities : Current

Amount in Euro

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Current maturities of long-term Borrowings (Unsecured) *	**-**	**1,043,576**
Total	**-**	**1,043,576**

* Repayment and other terms:

a) The loan was repayable in 3 equal quarterly instalments from February 2020 and was repaid in full in September 2020.

b) The intercompany loan was subject to interest rate of 1% per annum.

Note 10 : Other Current Liabilities

Amount in Euro

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Unearned revenue	**708,286**	**1,253,085**
Statutory Remittances	**120,377**	**25,641**
Total	**828,663**	**1,278,726**

Note 11 : Revenue from Operations

Amount in Euro

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Sale of Software Licences	894,415	1,203,242
Sale of Support Services	2,384,712	1,895,128
Total	3,279,127	3,098,370

Note 12 : Other Income

Amount in Euro

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Interest on Income Tax Refund	-	162
Other Income	-	259
Foreign Exchange Gain	433	476
Total	433	896

Note 13 : Finance Costs

Amount in Euro

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Interest On Long Term Loans/ Financial Liability	-	17,443
Interest On Loans From Related Parties	2,630	474
Total	2,630	17,917

Note 14 : Other Expenses

Amount in Euro

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Software, Hardware and Project Specific Expenses	3,015,411	2,898,720
Rates and taxes	-	5,278
Legal and Other Professional Costs	20,326	6,865
Miscellaneous Expenses	9,124	16,782
Total	3,044,861	2,927,644

Note 15 :

As required under Indian Accounting Standard 24 (“Ind AS 24”) , Related Party Disclosures, following are the transactions during the year ended March 31, 2021 and outstanding balances as of that date:

15 Related party transactions

15.a Details of related parties:

Description of relationship	Names of Related Party
Holding Company	Tech Mahindra Limited
Fellow Subsidiary	Tech Mahindra Sweden AB
Fellow Subsidiary	Tech Mahindra GmbH

15.b Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021:

Particulars	Holding Company	Fellow Subsidiary	Total
Transactions for the year ended March 31, 2020:			
Loan Taken	-	2,000,000	2,000,000
	-	(100,000)	(100,000)
Interest paid	-	2,630	2,630
		(474)	(474)
Loan Repaid	-	2,000,000	2,000,000
	-	(700,000)	(700,000)
Balances outstanding at the end of the year:			
Trade Payables	3,410	-	3,410
	(3,659)	-	(3,659)
Trade Receivables	34,291		34,291
	-	-	-

Note : Figures in bracket relate to the previous year

16 Current Tax and Deferred Tax:

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Amount in Euro

Particulars	**Year ended 31-Mar-2021**	Year ended 31-Mar-2020
Profit before Tax	**232,069**	153,705
Tax at the domestic income tax rate at 19% (19% for 31 Mar 2020)	**43,589**	29,204
Income tax expense recognised in profit or loss	**43,589**	29,204

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in Netherlands on taxable profits under the Netherlands tax laws.

Domestic income tax is calculated at 19% (2020 : 19%) of the estimated assessable profit for the year.

17 Earnings Per Share is calculated as follows:

Amount in Euro

Particulars	**Year ended 31-Mar-2021**	Year ended 31-Mar-2020
Profit after taxation	**188,480**	**124,501**
Equity Shares outstanding as at the end of the year (in nos.)	**46,001**	**46,001**
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	**46,001**	**46,001**
Nominal Value per Equity Share (in Euro)	**1**	**1**
Earnings Per Share		
Earnings Per Share (Basic) (in Euro)	**4.10**	**2.71**
Earnings Per Share (Diluted) (in Euro)	**4.10**	**2.71**

18 Financial Instruments and Risk Review

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors. Following are the financial risk factors

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(b) Credit Risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables.

Trade Receivable

Trade receivables consists of a single customer in the previous year. Average credit period ranges from 30-60 days and no interest is charged on overdue receivables. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking experience. As there is no history of defaults, no allowance for doubtful trade receivables based on the expected credit loss model is made.

Amount in Euro

Particulars	**As at 31-Mar-2021**	As at 31-Mar-2020
Within the credit period	**425,158**	-
90-180 days past due	**-**	-
180- 365 days past due	**-**	-
More than 365 days past due	**-**	-

Cash and Bank Balances:

The Company maintains its cash and cash equivalents with bank having good reputation and high quality credit rating.

Credit Risk Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 246,393 and EUR 1,539,829 as of March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks and trade receivables.

Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2021:

Amount in Euro

Particulars	**Less than 1 year**	**1-3 years**	**3-5 years**	**5 years and above**
Trade Payables	89,661	-	-	-
Other Financial Liabilities	-	-	-	-
Total	**89,661**	**-**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2020:

Amount in Euro

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	50,775	-	-	-
Borrowings	-	-	-	-
Other Financial Liabilities	1,043,576			
Total	**1,094,351**	**-**	**-**	**-**

Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets:

Amount in Euro

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Non-derivative financial assets				
31-Mar-2021				
Trade Receivables	425,158			
Cash & cash equivalents	246,393	-	-	-
Total	**671,551**	**-**	**-**	**-**
Non-derivative financial assets				
31-Mar-2020				
Trade Receivables	-			
Cash & cash equivalents	1,539,829	-	-	-
Total	**1,539,829**	**-**	**-**	**-**

18A. Capital Management

The Company's capital management objectives are to ensure that company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services, commensurate with the level of risk.

The Company sets the amount of capital in proportion to its overall financing structure i.e. capital and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic condition and risks, characteristics of the underlying assets.

(a) The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

Particulars			Amount in Euro
	Amortised cost	**Carrying value**	**Fair value**
Assets:			
Trade Receivables	425,158	425,158	425,158
Cash and cash equivalents	246,393	246,393	246,393
	671,551	**671,551**	**671,551**
Liabilities:			
Trade Payables	89,661	89,661	89,661
Other financial liabilities	-	-	-
	89,661	**89,661**	**89,661**

(b) The carrying value and fair value of financial instruments by categories as of March 31, 2020 is as follows:

Particulars			Amount in Euro
	Amortised cost	**Carrying value**	**Fair value**
Assets:			
Trade Receivables	-	-	-
Cash and cash equivalents	1,539,829	1,539,829	1,539,829
	1,539,829	**1,539,829**	**1,539,829**
Liabilities:			
Trade payables	50,775	50,775	50,775
Other financial liabilities	1,043,576	1,043,576	1,043,576
	1,094,351	**1,094,351**	**1,094,351**

19 Disclosures for Revenue from Contracts with Customers

(i) Disaggregation of revenue

Revenue disaggregation by nature is as follows:

Name	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Sale of Software Licences	**894,415**	1,203,242
Sale of Support Services	**2,384,712**	1,895,128
Total	**3,279,127**	**3,098,370**

(ii) Performance obligation

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. The Company has applied the practical expedient in paragraph 121 of Ind AS 115 and has not disclosed information about remaining performance obligations that have original expected duration of one year or less and where the company recognises revenue to the extent it has right to invoice.

(iii) Contract assets and liabilities

The contract assets primarily relate to Company's rights to consideration for work completed but not billed at the reporting date due to contractual terms. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognized from the contract liability amounts as and when services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

Significant changes in the contract liabilities balances during the year ended March 31, 2021 as follows:

Amoint in Euros

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Contarct Liabilities:		
Opening Balance	**1,253,086**	1,477,433
Less: Revenue recognized during the reporting period	**(1,489,182)**	(1,895,128)
Add: Invoiced during the period	**944,385**	1,670,781
Closing Balance	**708,289**	**1,253,086**

20 Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas and major customers.

Based on the 'management approach' as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

The Company is engaged in the business of re-selling of software licenses and related support services. As the Company is engaged in only one business segment, the balance sheet and statement of profit and loss pertain to only one business segment .

The Company has a single customer who is primarily located in the Netherlands. As the Company has only one geographical segment, the balance sheet and statement of profit and loss pertain to only one geographical segment.."

21 The Company had no contingent liabilities outstanding as on the balance sheet date.

22 The Company does not foresee any material impact on its revenue and customer's ability to pay due to the prolonged lock down and other impacts of the COVID-19 pandemic. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration.

23 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: May 19, 2021

For Tech Mahindra Netherlands B.V.

Sandeep Phadke
Director

Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : May 19, 2021

TECHM IT-SERVICES GMBH

Directors

Marcel Buchner

Registered Office

Albertgasse 35,
1080 Vienna,
Austria

Bankers

Erste Bank der Oesterreichischen Sparkassen AG

Auditors

B S R & Co. LLP

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS

TECH MAHINDRA LIMITED

Report on the Audit of Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of Tech Mahindra IT Services GmbH ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together herein after referred to as "financial statements"). These financial statements have been prepared by the management as described in Note 2 to the financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, of the state of affairs of the Company as at 31 March 2021, and of its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date in accordance with Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as described in Note 2 to the financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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.

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

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. These financial statements are prepared to assist the Holding Company, Tech Mahindra Limited to comply with the requirements of Section 129 of the Act / in the preparation of their Consolidated Financial Statements. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted or circulated, or referred to, in correspondence or discussion, in whole or in part or distributed to anyone other than the purpose for which it has been issued without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN No. 21215165AAAABL8453

Place: Pune
Date: May 21,2021

TECHM IT-SERVICES GMBH

BALANCE SHEET AS AT MARCH 31, 2021

Amount in Euro

Balance Sheet	Note No.	31-March-2021	31-March-2020
ASSETS			
Non Current Assets			
(a) Advance income tax (net of provision)		11,520	5,408
(b) Deferred Tax Assets		-	-
Total Non Current Assets		**11,520**	**5,408**
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	3	7,971	27,602
(ii) Cash and Cash Equivalents	4	91,964	78,408
(ii) Other Financial Assets	5	9,407	9,407
(b) Other Current Assets	6	350	14,889
Total Current Assets		**109,692**	**130,306**
Total Assets		**121,212**	**135,714**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	5,000	5,000
(b) Other Equity	8	102,038	94,882
Total Equity		**107,038**	**99,882**
Non- Current liabilities			
Deferred Tax Liabilities		-	212
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	9	12,956	15,898
(ii) Other Financial Liabilities	10	-	13,195
(b) Provisions	11	-	5,309
(c) Income Tax Liabilities (Net)	12	1,218	1,218
Total Current Liabilities		**14,174**	**35,832**
Total Equity and Liabilities		**121,212**	**135,714**
See accompanying notes forming part of the financial statements	1 to 24		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.101248W/W-100022

Ashish Gupta

Partner

Membership No.: 215165

Place : Pune

Date: May 21, 2021

For Tech Mahindra IT Services GmbH

Marcel Buchner

Director

Place : Wiesbaden

Date: May 21, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Euro

	Statement of Profit and Loss	Note No.	Year ended 31-March-2021	Year ended 31-March-2020
I	Revenue from Operations	13	143,693	224,569
II	Other Income		-	-
III	**Total Revenue (I +II)**		**143,693**	**224,569**
IV	**EXPENSES**			
	Expenses for employee benefits	14	93,113	160,533
	Other Operating Expenses	15	41,040	49,489
	Total Expenses		**134,153**	**210,022**
V	**Profit before Tax (III-IV)**		9,540	14,547
VI	**Tax Expense**			
	Current Tax		2,596	3,532
	Deferred Tax		(212)	332
	Total Tax Expense		**2,384**	**3,864**
VII	**Profit after tax (V-VI)**		**7,156**	**10,683**
VIII	**Other Comprehensive Income**			
A	I. Items that will not be reclassified to Profit or Loss		-	-
B	I. Items that will be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income (A+B)		**-**	**-**
IX	**Total Comprehensive Income (VII + VIII)**		**7,156**	**10,683**
	Earnings per Equity Share (Face Value Euro 1) in Euro			
	Basic		14	21
	Diluted		14	21
	See accompanying notes forming part of the financial statements	1 to 24		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: May 21, 2021

For Tech Mahindra IT Services GmbH

Marcel Buchner
Director

Place : Wiesbaden
Date: May 21, 2021

STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

Amount in EURO

Balance as of April 1, 2019	Changes in equity share capital during the year	Balance as of March 31, 2020
5,000	-	5,000
Balance as of April 1, 2020	**Changes in equity share capital during the year**	**Balance as of March 31, 2021**
5,000	-	5,000

B. Other Equity -Reserves and Surplus - Retained Earnings

Amount in EURO

Particulars	Balance as at March 31, 2021	Balance as at March 31, 2020
Balance as at the beginning of reporting period	94,882	84,199
Profit for the year	7,156	10,683
Total Comprehensive income	**102,038**	**94,882**

As per our report of even date attached

For B S R & Co. LLP	**For Tech Mahindra IT Services GmbH**
Chartered Accountants	
Firm Registration No.101248W/W-100022	
Ashish Gupta	**Marcel Buchner**
Partner	Director
Membership No.: 215165	
Place : Pune	Place : Wiesbaden
Date: May 21, 2021	Date: May 21, 2021

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

	Cash Flow Statement		For the Year ended 31-March-2021		For the Year ended 31-March-2020
A	**Cash Flow from Operating Activities**				
	Profit before Tax		9,540		14,547
			9,540		14,547
	Changes in working capital				
	(Decrease in)/increase in trade receivable & other assets	34,170		(22,721)	
	Increase in/(decrease in) trade payables, provisions & other liabilities	(21,446)		12,341	
			12,724		(10,380)
	Cash Generated from operating activities before taxes		22,264		4,167
	Income Tax Paid, net		(8,708)		(6,465)
	Net cash used in operating activities		13,556		(2,298)
	Net Increase / (Decrease) in Cash and Cash Equivalents		13,556		(2,298)
	Cash and Cash Equivalents at the beginning of the year		78,408		80,707
	Cash and Cash Equivalents at the end of the year(refer note 4)		**91,964**		**78,408**

Cash and Cash Equivalents at the end of the year Comprises of		Balance as at March 31, 2021	Balance as at March 31, 2020
Balances with Banks :			
In Current Accounts		91,964	78,408
Total		**91,964**	**78,408**
See accompanying notes forming part of the financial statements	(1-25)		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date: May 21, 2021

For Tech Mahindra IT Services GmbH

Marcel Buchner
Director

Place : Wiesbaden
Date: May 21, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

The Company was incorporated on August 08, 2014, with principal place of business at Albertgasse 35, 1080 Vienna, Austria. The financial statements are expressed in Euro.

The principal activities of the Company are providing consultancy and services relating to information technology and development of software solutions and products for banking and finance industry which include activities such as retail,corporate,investment, wealth management and micro finance.

The Company's immediate holding company is Tech Mahindra GmbH, incorporated in Dusseldorf, Germany and ultimate parent company is Tech Mahindra Limited incorporated in India.

The special purpose financial statements of the Company for the year ended March 31, 2021 were authorised for issue by the Board of Directors on May 21, 2021.

2 Significant accounting policies:

2.1 Statement of Compliance

The special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as amended from time to time.

2.2 Basis of preparation of financial statements

These financial statements have been presented in Euro (EUR) which is the functional currency of the Company. These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The functional currency of the Company is EURO (EUR). The Financial statements have been prepared as per section 129 (1) of the Act to assist the Tech Mahindra Limited (Parent Company) for preparation of consolidated financial statements and for the purpose of compliance with the provision of section 129 and Section 136 read with Schedule III of the Companies Act, 2013 .

2.3 Use of estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Revenue recognition

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

Revenue from cost plus contracts are recognised based on the terms of the contract over the service period. Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability arises when there is Company's obligation to transfer goods or services to a customer for which the entity has received consideration ("Advances from Customer") or the amount is due from the customer ("Unearned Revenue")

2.7 Leases

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Since the Company had no long term leased premises as on April 1, 2020, there was no effect of adoption of Ind AS 116 on the Company.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment, including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.8 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the profit or loss.

2.9 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model 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

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in ‘other comprehensive income’, for investment in equity instruments which are not held for trading.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

2.10 Taxes on income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the country.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent 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 income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.11 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

2.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.13 Recent Indian Accounting Standards (Ind AS):

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications that are applicable for the Company from April 1, 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 : Trade Receivables

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Unsecured - Considered Good	7,971	27,602
Credit impaired	-	-
	7,971	**27,602**
Less: Allowance for expected credit losses	-	-
Total	**7,971**	**27,602**

Note 4 : Cash and Cash Equivalents

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Balances with banks		
- In Current Account	91,964	78,408
Total	**91,964**	**78,408**

Note 5: Other Financial Assets

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Security Deposits		
- Unsecured, considered good	9,407	9,407
Total	**9,407**	**9,407**

Note 6 : Other Current Assets

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Balance with Government Authorities	350	14,889
Total	**350**	**14,889**

Note 7: Equity Share Capital

Particulars	31 March , 2021		31 March , 2020	
	Number	Amount in Euro	Number	Amount in Euro
Authorised Share Capital				
Equity shares of Euro 10/- each fully paid up	3,500	35,000	3,500	35,000
Issued Subscribed and Paid up share Capital as at beginning of reporting period				
Equity shares of Euro 10/- each fully paid up	500	5,000	500	5,000
Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting year:				
Shares outstanding at the beginning of the year	500	5,000	500	5,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**500**	**5,000**	**500**	**5,000**

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	As at 31 March , 2021		As at 31 March , 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tech Mahindra GmbH	500	100	500	100

i) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

ii) The Company has not issued any shares during the year.

iii) he Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the equity balance. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure of the Company on an ongoing basis.

Note 8 : Other Equity

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Surplus in Statement of Profit and Loss		
Opening balance	94,882	84,199
Add : Profit for the year	7,156	10,683
Closing Balance	**102,038**	**94,882**

Note 9 : Trade Payables

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Trade Payables	12,956	15,898
Closing Balance	**12,956**	**15,898**

Note 10 : Other Financial Liabilities

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Salary payable	-	13,195
Total	**-**	**13,195**

Note 11 : Provisions

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Provision for leave encashment	-	5,309
Total	**-**	**5,309**

Note 12 : Current Tax Liabilities

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Provision for tax (net)	1,218	1,218
Total	**1,218**	**1,218**

Note 13 : Revenue from Operations

Amount in Euro

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Sale of Services	143,693	224,569
Total	**143,693**	**224,569**

Note 14 : Expenses for employee benefits

Amount in Euro

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Salaries and wages	81,214	133,332
Contribution to social security	11,899	27,201
Total	**93,113**	**160,533**

Note 15 : Other Expenses

Amount in Euro

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Insurance charges	239	1,145
Legal and professional fees	9,429	11,515
Miscellaneous expenses	267	3,820
Rent expense	31,105	32,771
Travelling expenses	-	238
Total	**41,040**	**49,489**

Note 16:

As required under Indian Accounting Standard 24 ("Ind AS 24") , Related Party Disclosures, following are the transactions during the year ended March 31, 2021 and outstanding balances as of that date:

Note **Particulars**

16 Related party transactions

16a. Details of related parties:

Description of relationship	Names of Related Party
Ultimate Holding Company	Tech Mahindra Limited
Holding Company	Tech Mahindra GmbH

16b. Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2020:

Amount in Euro

Particulars	Tech Mahindra Limited	Tech Mahindra GmbH	Total
Transactions for the year ended March 31, 2020:			
Revenue from sale of services	143,693	-	143,693
	(224,569)		(224,569)
Reimbursement of Expenses	2,131		2,131
	(2,279)		(2,279)
Balances outstanding at the end of the year:			
Trade receivables- Considered good	7,971	-	7,971
	(27,602)		(27,602)
Trade payables	2,131		2,131
	(2,279)		(2,279)

Note : Figures in bracket relate to the previous year

17 Current Tax and Deferred Tax:

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Amount in Euro

Particulars	**Year ended**	
	31-March-2021	**31-March-2020**
Profit before Tax	9,540	14,547
(-) Temporary differences	845	(419)
Taxable income	10,385	14,128
Tax at the domestic income tax rate at 25%	2,596	3,532
Deferred tax expense	-	332
Income tax expense recognised in profit or loss	2,596	3,864

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in Austria on taxable profits under the Austrian tax laws.

Domestic income tax is calculated at 25% of the estimated assessable profit for the year.

18 Earnings Per Share is calculated as follows:

Amount in Euro

Particulars	**Year ended**	
	31-March-2021	**31-March-2020**
Profit after taxation	7,156	10,683
Equity Shares outstanding as at the end of the year (in nos.)	500	500
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	500	500
Nominal Value per Equity Share (in Euro)	10	10
Earnings Per Share		
Earnings Per Share (Basic) (in Euro)	14	21
Earnings Per Share (Diluted) (in Euro)	14	21

19 Financial Instruments and Risk Review

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors.Following are the financial risk factors.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk

(b) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables

Trade Receivable

Trade receivables consist of a single related party customer. Average credit period ranges from 20-30 days and no interest is charged on overdue receivables. The Company uses a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking experience. As there is no history of defaults, no allowance for doubtful trade receivables based on the expected credit loss model is made.

Age of receivables

Amount in Euro

Particulars	As at 31-March-2021	As at 31-March-2020
Within the credit period	7,971	27,602
90-180 days past due	-	-
180- 365 days past due	-	-
More than 365 days past due	-	-

Cash and Bank Balances:

The Company maintains its cash and cash equivalents with bank having good reputation and high quality credit rating.

Credit Risk Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Eur 109,342 and EUR 115,417 as of March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks, trade receivables and other financial assets

Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2021:

Amount in Euro

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	12,956		-	-
Other Financial Liabilities	-			
Total	**12,956**	**-**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2020:

Amount in Euro

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	15,898		-	-
Other Financial Liabilities	13,195			
Total	**29,093**	**-**	**-**	**-**

Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets:

Amount in Euro

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Non-derivative financial assets				
31-Mar-2021				
Trade Receivables	7,971			
Cash & cash equivalents	91,964	-	-	-
Other financial assets	9,407			
Total	**109,342**	**-**	**-**	**-**
Non-derivative financial assets				
31-Mar-2020				
Trade Receivables	27,602			
Cash & cash equivalents	78,408	-	-	-
Other financial assets	9,407			
Total	**115,417**	**-**	**-**	**-**

20A Capital Management

The Company's capital management objectives are to ensure that company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services, commensurate with the level of risk.

The company sets the amount of capital in proportion to its overall financing structure i.e. capital and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic condition and risks, characteristics of the underlying assets.

(a) The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

Particulars			Amount in Euro
	Amortised cost	**Total carrying value**	**Total fair value**
Assets:			
Trade Receivables	7,971	7,971	7,971
Cash and cash equivalents	91,964	91,964	91,964
Other financial assets	9,407	9,407	9,407
	109,342	**109,342**	**109,342**
Liabilities:			
Trade and other payables	12,956	12,956	12,956
Other financial liabilities	-	-	-
	12,956	**12,956**	**12,956**

The carrying value and fair value of financial instruments by categories as of March 31, 2020 is as follows:

Particulars			Amount in Euro
	Amortised cost	**Total carrying value**	**Total fair value**
Assets:			
Trade Receivables	27,602	27,602	27,602
Cash and cash equivalents	78,408	78,408	78,408
Other financial assets	9,407	9,407	9,407
	115,417	**115,417**	**115,417**
Liabilities:			
Trade and other payables	15,898	15,898	15,898
Other financial liabilities	13,195	13,195	13,195
	29,093	**29,093**	**29,093**

21 Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas and major customers.

Based on the 'management approach' as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments

The Company is engaged in the business of providing consultancy and services relating to information technology and development of software solutions. As the Company is engaged in only one business segment, the balance sheet and statement of profit and loss pertain to only one business segment.

22 The Company had no contingent liabilities outstanding as on the balance sheet date.

23 The Company does not foresee any material impact on its revenue and customer’s ability to pay due to the prolonged lock down and other impacts of the COVID-19 pandemic. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration

24 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For B S R & Co. LLP	**For Tech Mahindra IT Services GmbH**
Chartered Accountants	
Firm Registration No.101248W/W-100022	
Ashish Gupta	**Marcel Buchner**
Partner	Director
Membership No.: 215165	
Place : Pune	Place : Wiesbaden
Date: May 21, 2021	Date: May 21, 2021

TECH MAHINDRA NORWAY AS

Board of Directors
Mr. Gaurav Gupta
Mr. Kishan Chuckun – from 05-10-2020
Mr. J. Greger Lundstrom – upto 30-04-2020

RegisteredOffice
Capus TS
Martin Linges Vei 25
1364 Fornebu
Oslo, Norway

Bankers
Citibank PLC

Auditors
KPMG AS
Postboks 7000 Majorstua, 0306 OSLO

BOARD OF DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

TECH MAHINDRA NORWAY AS

Adress:, Capus T S, Martin Linges vei 25, 1364 Fornebu, 0219 Bærum

Organisation Number. 918 324 941

The Business

Tech Mahindra Norway AS provides information technology services and information technology enabled services to enterprises in Norway. The services include Digital Transformation, IT infrastructure services, IT consulting among other services. The Company's head office is located in Bærum, Norway.

Financial performance

Turnover for the financial Year ended March 31, 2021 was NOK 45 442 243 which is an increase of 20 % as compared to previous year. The net profit for the year was NOK 3 134 318 as compared to NOK 2 990 549 for the previous year. The total capital at the end of the year was NOK 10 846 063 as compared to NOK 7 711 745 in the previous year. The Board considers that the annual accounts give an accurate description of Tech Mahindra Norway AS's assets and liabilities, financial position and result.

A going concern

In accordance with the section 3-3 of the Accounting Act, we confirm that Tech Mahindra Norway AS meets the requirements for continuation as a going concern.

Risk Management

Risk management is a continuous process and an integrated part of the business. All managers are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business processes. When operating across multiple markets, it is exposed to a range of risks that may affect its business. The aim is to earn competitive returns at acceptable risk levels.

Commercial risks

Tech Mahindra Norway AS needs access to new customers that want to outsource IT-services.

Future development

The Company plans to be active in the Norwegian outsourcing market for the years to come. The Company will also provide IT-services locally to existing and future customers.

Financial risk

All financial risk is handled by its ultimate parent company, Tech Mahindra Limited.

Working environment

Management considers the work environment satisfactory and has not implemented any special projects in this area during financial year 2020-21. There have been no damages or accidents in 2020-21.

Equal opportunity

Tech Mahindra Norway AS has had 13 employees during the accounting year.

The Company is led by Gaurav Gupta, male manager and Mr Kishan Chuckun, Director. None of the staff is women.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Discrimination

The Company strives to offer equal opportunities to all, independent of gender and ethnic background.

The external environment

The Company does not engage in any activities which pollute the environment.

Oslo, June 10, 2021

Board of Tech Mahindra Norway AS

Gaurav Gupta	**Kishan Chuckun**
Director	Director

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra Norway AS showing a profit of NOK 3 134 317. The financial statements comprise the balance sheet as at 31 March 2021, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 March 2021, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs 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 users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment 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. We 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 a true and fair view.

We communicate with the Board of Directors 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

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, June 22, 2021
KPMG AS

Øyvind Skorgevik
State Authorised Public Accountant
Note: This translation from Norwegian has been prepared for information purposes only.

TECH MAHINDRA NORWAY AS

PROFIT AND LOSS STATEMENT

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2020/2021	2019/2020
	Revenue	45,442,243	37,733,301
	Other income	1,452,560	1,761,129
	Total income	**46,894,803**	**39,494,430**
2, 4	Payroll and related costs	18,417,103	13,446,476
5	Depreciation and amortisation of fixed and intangible assets	9,594,444	6,843,857
	Other operating expenses	14,780,136	15,233,033
	Total operating expenses	**42,791,683**	**35,523,366**
	Operating profit/(loss)	**4,103,120**	**3,971,064**
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
	Other financial income	0	-
	Other financial expenses	84,765	80,419
	Financial items, net	**84,765**	**80,419**
	Profit/(loss) on ordinary activities before taxation	**4,018,355**	**3,890,645**
7	Tax on ordinary income	884,037	900,096
	Profit/(loss) on ordinary activities	**3,134,318**	**2,990,549**
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**3,134,318**	**2,990,549**
	ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS		
8	Transferred to other equity	3,134,318	2,990,549
	Total allocations and equity transfers	**3,134,318**	**2,990,549**

BALANCE SHEET AS AT 31 MARCH 2021

NOTE	ASSETS	31-March-2021	31-March-2020
	Non-current assets		
	Tangible fixed assets		
5	Computers	6,999,142	8,541,449
5	Plant and equipment	2,198,452	2,701,719
5	Furniture & Fixture	8,564	0
5	Lease computers	19,647,719	0
	Total tangible fixed assets	**28,853,877**	**11,243,168**
	Deferred Tax Assets (Net)	453,168	0
		453,168	**0**
	Total non-current assets	**29,307,045**	**11,243,168**
	Current assets		
	Receivables		
6	Accounts receivable	10,786,261	12,668,546
	Other receivables	18,425,436	4,111,442
	Other Current Assets	1,817,525	
	Total receivables	**31,029,222**	**16,779,988**
	Cash and cash equivalents		
	Cash and cash equivalents	4,109,576	5,572,081
	Total cash and cash equivalents	**4,109,576**	**5,572,081**
	Total current assets	**35,138,798**	**22,352,069**
	TOTAL ASSETS	**64,445,843**	**33,595,237**

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	31-March-2021	31-March-2020
	Shareholders equity		
	Paid-in equity		
3, 8	Share capital (30.000 shares at NOK 1)	30,000	30,000
	Total paid-in capital	**30,000**	**30,000**
	Retained earnings		
8	Other equity	10,846,063	7,711,745
	Total retained earnings	**10,846,063**	**7,711,745**
	Total shareholders equity	**10,846,063**	**7,711,745**
	Liabilities		
	Provisions for liabilities and charges		
7	Deferred tax	0	89,531
	Total provisions for liabilities and charges	**0**	**89,531**
	Non-Current Liabilities		
	Non-Current Liabilities	14,738,885	0
	Total current liabilities	**14,738,885**	**0**
	Current liabilities		
6	Accounts payable	14,917,607	8,516,991
7	Current income taxes payable	3,516,585	2,089,849
	Other taxes and withholdings	583,815	3,989,009
6	Other current liabilities	19,812,888	11,168,112
	Total current liabilities	**38,830,895**	**25,763,961**
	Total liabilities	**53,569,780**	**25,853,492**
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**64,445,843**	**33,595,237**

Oslo, June 10, 2021

Board of Tech Mahindra Norway AS

Gaurav Gupta
Director

Kishan Kumar Chukun
Director

NOTE TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles for small entities in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than thecarrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Receivables

Trade receivables and other receivables are carried at face value less an allowance for expected losses. An estimate is made for doubtful debts based on a review of all amounts outstanding at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Pensions

The company has a defined contribution plan and pays fixed contributions to an insurance company. After the contribution has been made the company has no further commitment to pay contributions relating to employee service in the current and prior periods. When employee services are rendered, the company recognizes the contribution payable in exchange for that service as a liability after deducting any contribution already paid. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Revenues

Arising form delivery of services:

Revenue is recognised when the service is performed. Revenue is measured at the fair value of the consideration received or receivable.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. The tax expense is allocated to ordinary income and the effect of extraordinary items in accordance with the respective taxable income. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Change in presentation during the year and comparative figures

During financial year 2020, Management changed the presentation of revenue and other operating expenses, from ‘gross’ presentation to ‘net’ presentation. The Company and its Parent Company act as sub-contractors to Tech Mahindra Limited (the ‘Ultimate Parent Company’) with respect to revenue contracts with external customers, where the risks are borne by the Ultimate Parent Company. Remuneration for such sub-contracting activities is based on the reimbursement of costs incurred plus a mark-up in accordance with a service agreement with the Ultimate Parent Company. Until 2020, the revenue from external customers and equivalent sub-contracting charges from the Ultimate Parent Company were shown on a gross basis in the financial statements of the Company under ‘Revenue’ and ‘Other operating expenses’ respectively. During 2020, in order to be consistent with the presentation followed by the Parent Company, the revenue from external customers is changed to net presentation of such sub-contracting charges.

Leases

Leases are accounted for as financial or operational leases after a specific assessment by the individual deal. Operating assets in leases assessed as financial leases are capitalized in the balance sheet and depreciated as fixed assets fixed assets. The installment part of the lease obligation is shown as other long-term debt. The obligation is reduced by paid rent after deduction of calculated interest cost.

Note 2 Number of employees, benefits, loan to employees etc.

	2020/2021	2019/2020
Average number of employees during the year:	19	15

Directors' remuneration

	Salaries, fees	Pensions	Other benefits	Salaries, fees	Pensions	Other benefits
	2020/2021	2020/2021	2020/2021	2019/2020	2019/2020	2019/2020
Managing Director/Chief Executive Officer	1,086,980	15,237	-	1,229,402	16,670	-
Board of Directors	-	-	-	-	-	-

The CEO was paid by Tech Mahindra Limited Branch upto December 2018. The director is paid by Tech Mahindra Limited Branch.

	2020/2021	2019/2020
Remuneration to KPMG (exclusive of VAT)		
Audit Fees	147,772	153,926
Other Services	-	-

Note 3 Share capital and shareholder information

The share capital in the company at 31 March 2021 consists of the following classes:

Ownership structure

All shares are owned by Tech Mahindra GMBH.

	Number of Shares	Sum	Ownership share	Voting share
Tech Mahindra GMBH	30,000	30,000	100%	100%
Total number of shares	**30,000**	**30,000**	**100%**	**100%**

Note 4 Payroll costs

Payroll costs	2020/2021	2019/2020
Wages and salaries	16,300,361	11,266,022
Social security tax	1,726,273	1,490,157
Pension costs	390,469	690,297
Other benefits	-	-
Total	**18,417,103**	**13,446,476**

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meets the requirements of this legislation.

Defined contribution plan

The company has a defined contribution plan which covers a total of 17 employees. The contribution for employee services rendered in the period is recognised as pension costs.

Note 5 Tangible fixed assets

	Computers	Plant & Equipment	Furniture & Fixtures	Construction in progress	Lease computers	Total
Cost at 1 April 2020	19,685,899	3,379,124	-	-		23,065,023
Additions	4,987,204	181,512	10,487	-	22,025,951	27,205,153
Disposals	-	-		0		-
Cost at 31 March 2021	24,673,103	3,560,636	10,487	-	22,025,951	50,270,176
Acc. amortisation at 1 April 2020	11,144,450	677,405		-		11,821,855
Ordinary amortisation	6,529,510	684,779	1,922	-	2,378,232	9,594,444
Ordinary impairment	-	-		-		-
Accumulated and reversed amortisation						
and impairment at 31 March. 2021	17,673,960	1,362,184	1,922	-	2,378,232	21,416,299
Balance at 31 March 2021	**6,999,143**	**2,198,452**	**8,564**	**-**	**19,647,719**	**28,853,877**
Current year amortisation charge	6,529,510	684,779	1,922	-	2,378,232	9,594,444
Current year impairment charge	-	-		-		-
Current year reversal of impairment charges	-	-		-		-
Economic life	3 years	5 years	5 years			
Amortisation method	straight-line	straight-line	straight-line			

	Computers	Plant & Equipment	Construction in progress	Total
Cost at 1 April 2019	18,097,806	1,034,780	-	19,132,586
Additions	1,588,093	2,344,344	3,932,437	7,864,874
Disposals	-	-	(3,932,437)	(3,932,437)
Cost at 31 March 2020	19,685,899	3,379,124	-	23,065,023
Acc. amortisation at 1 April 2019	4,876,766	101,233	-	4,977,999
Ordinary amortisation	6,267,684	576,172	-	6,843,856
Ordinary impairment	-	-	-	-
Accumulated and reversed amortisation				
and impairment at 31 March. 2020	11,144,450	677,405	-	11,821,855
Balance at 31 March 2020	**8,541,449**	**2,701,719**	**-**	**11,243,168**
Previous year amortisation charge	6,267,684	576,172	-	6,843,856
Previous year impairment charge	-	-	-	-
Previous year reversal of impairment charges	-	-	-	-
Economic life	3 years	5 years	5 years	
Amortisation method	straight-line	straight-line	straight-line	

Leases

Leases are accounted for as financial leases or operational leases based on a specific assessment of each lease agreement.

Lease of fixed assets classified as financial leases are capitalized and depreciated as ordinary fixed assets.

The repayment of the lease liability is presented as other non-current liabilities. The liability is reduced with lease payments after deduction of interest expense.

Note 6 Accounts receivable - Accounts Payable

	Accounts receivable 2020/2021	Accounts receivable 2019/2020	Other receivables 2020/2021	Other receivables 2019/2020
Group companies	6,161,326	4,885,060	-	-
External	4,624,935	7,783,486		
Total	**10,786,261**	**12,668,546**	**-**	**-**

	Accounts payable 2020/2021	Accounts payable 2019/2020	Other current liabilities 2020/2021	Other current liabilities 2019/2020
Group companies	14,677,361	8,257,001	7,035,406	6,559,423
External	240,247	259,990		
Total	**14,917,607**	**8,516,991**	**7,035,406**	**6,559,423**

Note 7 Income tax expense

Specification of income tax expense:

	2020/2021	2019/2020
Current income tax expense	1,426,736	1,339,891
Changes in deferred tax	(542,699)	(439,795)
Effect of changes in tax rules	-	-
Tax on ordinary profit/(loss)	**884,037**	**900,096**

Specification of tax payable

	2020/2021	2019/2020
Current year income tax payable	1,426,736	1,339,891
Income tax payable for previous years (refer note i)	2,089,849	749,958
Prior year adjustments	-	-
Current income tax payable in Balance Sheet	**3,516,585**	**2,089,849**

i.Income tax payable for previous year refers to income tax payable for the period1 April 2019 to 31 March 2020,for which the due date for filing of return is 31 May 2021.

Specification of the tax effect of temporary differences and losses carried forward:

	2020/2021		2019/2020	
	Benefit	Liability	Benefit	Liability
Fixed assets	439,404	-	-	89,531
Leases	13,764			
Total	**453,168**	**-**	**-**	**89,531**

Note 8 Equity transactions

This year's change in equity:	Share capital	Other paid-in equity	Other equity	Total equity
Equity at 1 April 2020	30,000	-	7,711,745	7,741,745
Profit/(loss) of the year		-	3,134,318	3,134,318
Received/given group contribution		-	-	-
Equity at 31 March 2021	**30,000**	**-**	**10,846,063**	**10,876,063**

This year's change in equity:	Share capital	Other paid-in equity	Other equity	Total equity
Equity at 1 April 2019	30,000	-	4,721,196	4,751,196
Profit/(loss) of the year		-	2,990,549	2,990,549
Received/given group contribution		-	-	-
Equity at 31 March 2020	**30,000**	**-**	**7,711,745**	**7,741,745**

Note 9 Bank deposits

Bank deposits, cash etc. include restricted tax deduction funds of NOK 812,997.43 (March 2020: NOK 1,208,497).

Note 10 Subsequent events

The Company does not foresee any material impact on its revenue and customer's ability to pay due to the prolonged lock down and other impacts of the COVID-19 pandemic. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration.

Note 11

Previous year numbers have been re-grouped or re-classified as required.

TECH MAHINDRA SERVICOS DE INFORMATICA S.A.

Board of Directors
Mr. Anil Joshi
Mr. Sriniketh Raman Chakravarthi
Mr. Alexandre de Castro
Mr. Arvind Malhotra (Resigned effective 9th December, 2020)

Registered Office
Avenida Maria Coelho de Aguiar, 215, Bl C, 5th Floor,
Jardim São Luiz,
São Paulo, SP
ZIP 05804-000

Bankers
Citibank
Itaú Bank
Santander
Bradesco
Caixa Econômica Federal

Auditors
Padrão Auditoria S/S, Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tech Mahindra Serviços de Informática S.A. (“the Company”) as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRSs). We have audited the financial statements of the Company, which comprise the statement of financial position as at March 31, 2021, and the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of ethical requirements, applicable law, regulation and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

We draw attention to the financial statements, which indicates that the Company incurred a net loss of R$130,124 during the year ended March 31, 2021 and, as of that date, the Company’s current liabilities exceeded its total assets by R$98,275. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Going Concern Basis of Accounting

The Company’s financial statements have been prepared using the going concern basis of accounting. Management is responsible for assessing the Company’s ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing in the financial statements a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. As part of our audit, we conclude regarding the appropriateness of management’s use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncCertainty exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available to us at the date of the auditor’s report. However, future events or conditions may cause an entity to cease to continue as a going concern.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the 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 Brazilian and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

We are required to communicate with Management 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.

São Paulo, April 23, 2021.

PADRÃO AUDITORIA S/S

CRC-2SP 016.650/O-7

YUKIO FUNADA

Accountant CRC-1SP 043.351/O-8

BALANCE SHEETS AS OF MARCH 31, 2021 AND MARCH 31, 2020

(In Thousands of Reais)

	Note	31.03.2021	31.03.2020
CURRENT ASSETS		**39,996**	75,828
Cash and cash equivalentes	4	**627**	303
Trade accounts receivable	5	**33,341**	67,373
Taxes recoverable		**1,622**	1,277
Related parties	10	**2,582**	3,315
Financial instruments derivatives	13.2 (b)	**-**	730
Other receivables		**1,824**	2,830
NON-CURRENT ASSETS		**10,569**	47,058
Related parties	10	**1**	1
Property & equipment	6	**2,880**	5,425
Intangible assets	7	**457**	37,589
Judicial deposits		**1,362**	2,008
Long term investments		**5,452**	903
Rights of use	8	**417**	1,132
TOTAL ASSETS		**50,565**	122,886
CURRENT LIABILITIES		**148,840**	**141,846**
Trade accounts payable		**1,115**	1,395
Salary and social charges		**7,165**	11,980
Taxes liabilities		**258**	466
Loans and financing	9	**8,070**	18,703
Related parties	10	**114,502**	95,312
Leases	8	**1,353**	1,761
Other liabilities		**16,377**	12,229
NON-CURRENT LIABILITIES		**79,144**	28,881
Provision for contingencies	11	**63,933**	13,754
Related parties	10	**15,211**	13,751
Leases	8	**-**	853
Other liabilities		**-**	523
EQUITY	12	**(177,419)**	(47,841)
Capital		**118,270**	118,270
Other equity		**(943)**	(1,489)
Retained losses		**(294,746)**	(164,622)
TOTAL LIABILITIES AND EQUITY		**50,565**	122,886

See accompanying notes.

INCOME STATEMENTS FOR THE YEAR ENDED AS OF MARCH 31, 2021 AND 2020

(In Thousands of Reais)

	Note	31.03.2021	31.03.2020
Net operating revenue		**113,217**	184,268
Cost of services rendered		**(102,738)**	(172,353)
Gross profit		**10,479**	11,915
Operating income (expenses)			
General and administrative expenses		**(90,583)**	(42,296)
Other operating income		**(32,015)**	7,027
		(122,598)	(35,269)
Financial result			
Financial income		**16,189**	11,455
Financial expenses		**(31,288)**	(39,298)
		(15,099)	(27,843)
Loss before income and social contribution taxes		**(127,218)**	(51,197)
Income tax and social contribution		**(2,906)**	(1,280)
Total of income tax and social contribution		**(2,906)**	(1,280)
Loss for the year		**(130,124)**	(52,477)
Losses per unit of interest – R$	16	**(2.200)**	(0.887)

See accompanying notes.

OTHER COMPREHENSIVE INCOME AS OF MARCH 31, 2021 AND 2020

	(In Thousands of Reais)	
EVENTS	**31.03.2021**	31.03.2020
Loss for the year	**(130,124)**	(52,477)
Other comprehensive income	**-**	-
Total	**(130,124)**	(52,477)

See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY AS OF MARCH 31, 2021 AND 2020

	(In Thousands of Reais)			
EVENTS	**CAPITAL**	**OTHER EQUITY** (Note 8)	**RETAINED LOSSES**	**TOTAL**
Balances at 31.03.2019	**118,270**	**-**	**(112,145)**	**6,125**
CPC 06 – R2 / IFRS 16 adjustments (Note 8)	-	(1,489)	-	(1,489)
Loss for the year	-	-	(52,477)	(52,477)
Balances at 31.03.2020	**118,270**	**(1,489)**	**(164,622)**	**(47,841)**
CPC 06 – R2 / IFRS 16 adjustments (Note 8)	-	546	-	546
Loss for the year	-	-	(130,124)	(130,124)
Balances at 31.03.2021	**118,270**	**(943)**	**(294,746)**	**(177,419)**

See accompanying notes.

CASH FLOW STATEMENTS AS OF MARCH 31, 2021 AND 2020

(In Thousands of Reais)

Cash flow from operating activities	31.03.2021	31.03.2020
Losses before income and social contribution taxes	**(130,124)**	(52,477)
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:		
Depreciation and amortization	**3,765**	3,119
Allowance for doubtful accounts	**2**	1,005
Provisions	**50,179**	(7,095)
Net book value of fixed asset disposals	**-**	7
Goodwill impairment	**36,828**	-
Decrease (increase) in assets:		
Trade accounts receivable	**34,030**	(17,046)
Taxes recoverable	**(345)**	849
Other receivables	**(2,828)**	917
Related parties	**733**	(932)
Financial instruments derivatives	**730**	(705)
Judicial deposits	**646**	187
Increase (decrease) in liabilities:		
Trade accounts payable	**(280)**	(1,320)
Taxes payable and others	(5,023)	(391)
Related parties	**20,650**	51,398
Leases	**(715)**	(7)
Other liabilities	**3,625**	(498)
Net cash provided by operating activities	**11,873**	(22,989)
Cash flow from investing activities		
Fixed asset and intangible purchases	**(916)**	(352)
Net cash used in investing activities	**(916)**	(352)
Cash flow from financing activities		
Increase (decrease) in loans and financing	**(10,633)**	1,465
Net cash provided by financing activities	**(10,633)**	1,465
Increase (decrease) in cash and cash equivalents	**324**	(21,876)
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	**303**	22,179
Cash and cash equivalents at the end of the year	**627**	303

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2021 AND 2020

(In Thousands of Reais)

1. Operations

Tech Mahindra Serviços de Informática S.A. former Tech Mahindra Serviços de Informática S.A. ("Tech Mahindra" or "Company") is a closely held corporation and primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software. The Company is located in São Paulo city.

On January 1st, 2017, Tech Mahindra Serviços de Informática S.A. incorporated Complex IT Solution Consultoria em Informática S.A.

2. Basis for preparation and presentation of financial statements

Authorization to complete these financial statements was given at the General Meeting held on April 23, 2021.

The financial statements were prepared in accordance with several assessment bases used in the accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include selection of useful lives of property and equipment and their recoverability on operations in operations, measurement of financial assets at fair value and under the present value method, credit risk analysis to determine the allowance for doubtful accounts, as well as other risk analysis to determine other provisions, including provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probability treatment inherent to the estimation process. The Company reviews its estimates and assumptions at least once a year.

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Laws, the standards issued by the Brazilian Securities and Exchange Commission (CVM), and pronouncements, interpretations and guidance issued by the Brazilian FASB (CPC), as well as in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Summary of significant accounting practices

3.1. Translation of foreign currency-denominated balances

3.1.1 Functional and reporting currency

The Company's functional currency is the Brazilian real, same currency for preparation and presentation of the financial statements.

3.1.2 Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) using the exchange rate of balance sheet date. Gains and losses resulting from the restatement of these assets and liabilities due to exchange rate variation between transaction date and year end are recognized as financial income or financial expenses in the income statement.

3.2. Revenue recognition

Revenues are stated on the accrual basis of accounting. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and when it can be reliably measured.

3.3. Taxation

3.3.1. Sales taxes

Sales and service revenues are subject to the taxes and social contributions below, at the following statutory rates:

- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) 0,65%;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) 3,00%;
- Service tax (ISS) – 2% à 5%.

3.3.2. Current income and social contribution taxes

Taxable profit comprises income and social contribution taxes, Income tax is calculated at a rate of 15%, plus a surtax of 10% on taxable profit exceeding R$240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily non-taxable income upon determination of current taxable profit generate deferred tax assets or liabilities.

Prepaid or recoverable taxes are stated in current or non-current assets, according to the forecast of realization thereof.

3.4. Cash and cash equivalents

These include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in their market value. Short-term investments included in cash equivalents are mostly classified as “financial assets at fair value through profit or loss”.

3.5. Property & equipment

These are recorded at acquisition cost. Depreciation of assets is calculated on a straight-line basis and takes into consideration the estimated economic useful lives of assets.

A property and equipment item is written off when sold or when no future economic benefit is expected to arise from its use or sale. Gains or losses arising from de-recognition of an asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of income in the period which the asset is derecognized.

The net book value and useful lives of the assets and the depreciation methods are reviewed at period end, and adjusted prospectively, when applicable.

After calculating net book value of property and equipment for financial statement purposes, the Company determines whether it is necessary to recognize additional loss of property and equipment value aggregated with other assets, such as investments and intangible assets in cash-generating units.

Due to changes in Brazilian accounting practices on the path to full convergence with international standards, first-time adopters of Accounting Pronouncements CPC 27 (IAS 16) and CPC 28 (IAS 40) may elect to make adjustments to their opening balances similarly to those allowed by international financial reporting standards, using the deemed cost concept as provided for in CPC 37 (IFRS 1) and CPC 43.

3.6. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and impairment. Intangible assets are represented by goodwill related to acquisition of Complex IT Solution Consultoria em Informática S.A. and software. The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7. Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset’s value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm’s length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8. Provisions

3.8.1 General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2 Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9. Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities, financial instruments derivatives and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1 Financial assets: These are classified in the following categories based on the purpose for which they were acquired or issued:

a) Financial assets at fair value through profit or loss: Include financial assets held for trading and financial assets initially recognized at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term.

The Company evaluated its financial assets at fair value through profit or loss since it intends to trade them within short term.

When the Company is unable to trade these financial assets as a consequence of market inactivity, and management intention of selling them in the near future changes significantly, the Company may opt to reclassify these financial assets in certain circumstances. The reclassification to loans and accounts receivable, available for sale or held to maturity depends on asset nature. This evaluation does not affect any financial assets classified as at fair value through profit or loss using the option of fair value upon presentation.

b) Loans and receivables: Loans and receivables are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. Trade accounts receivable and other receivables were classified in this category.

3.9.2 Financial liabilities: These are classified in the following categories based on the nature of financial instruments taken out or issued:

a) Financial liabilities at fair value through profit or loss: These include financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

They are classified as held for trading when acquired with the objective of sale or repurchase in the short term. Derivative financial instruments are classified as held for trading. They are measured at fair value at every balance sheet date.

Interest, monetary restatement, exchange variation and variations resulting from fair value valuation are recognized in P&L when incurred in financial income or expenses.

b) Loans and financing: Non-derivative financial liabilities that are not usually traded before maturity.

After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Interest, monetary and exchange variation, as applicable, are recognized in P&L when incurred, Trade accounts payable, other liabilities and related parties were classified in this category.

3.9.3 Market value: The market value of financial instruments actively traded in organized markets is determined based on quoted values in the market at balance sheet date, In case there is no active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between unrelated parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

3.10. Present value adjustment of assets and liabilities

Non-current monetary assets and liabilities are adjusted at present value, and also current ones but only when the effect is considered significant in relation to the overall financial statements. Present value adjustment is calculated taking into consideration contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, embedded interest in revenues, expenses and costs related to these assets and liabilities is discounted in order to be recognized on the accrual basis of accounting.

Subsequently, such interest is relocated in the lines of financial expenses and financial income in the income statement using the effective interest rate method in relation to the contractual cash flows. Applied implicit interest rates were determined based on assumptions and are considered accounting estimates.

3.11. Significant accounting judgments, estimates and assumptions

The Company's financial statements were prepared considering different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the individual and consolidated financial statements were based on objective and subjective factors, considering management's judgment to determine the appropriate amounts to be recorded in the financial statements.

Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and their recoverability in operations; the evaluation of financial assets at fair value; assessment of the credit risk for the determination of the allowance for doubtful accounts, as well as the analysis of other risks to determine other provisions, including the provisions for guarantees, realization of tax credits and contingencies. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company periodically reviews its estimates and assumptions at least once a year.

3.11.1 Impairment of non-financial assets

Impairment loss exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on sale transactions of similar assets or market price less additional costs to dispose of the asset.

3.11.2 Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the amount and term of future taxable income. The long-term nature and the complexity of existing contractual instruments, differences between actual results and assumptions adopted, or future changes in these assumptions could require future adjustments in the already recorded revenue and tax expenses.

The Company sets up provisions, based on reasonable estimates of the possible consequences of audits by tax authorities in respective jurisdictions in which it operates.

The value of these provisions is based on various factors such as previous experience of tax audits and differing interpretations of tax regulations by the taxed entity and the respective tax authority. These differences of interpretation may arise on a wide variety of subjects depending on conditions prevailing in the Company's domicile.

Significant judgment from management is required to determine the value of deferred tax assets that can be recognized based on the probable term and level of future taxable income together with future tax planning strategies.

3.11.3 Provision for litigation

The Company recognizes provision for civil, tax and labor proceedings, as applicable. The assessment of the chances of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's outside legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions.

3.12. Cash flow statements

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 (R2) – Cash Flow Statements, issued by Brazilian FASB (CPC).

3.13. Business combination and goodwill

When acquiring a business, the Company assesses the financial assets and financial liabilities assumed in order to classify and allocate them according to the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Initially, goodwill is measured as the excess of the consideration transferred over the net assets acquired (net identifiable assets acquired and liabilities assumed). If the consideration is less than the fair value of net assets acquired, the difference is recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Company´s cash generating units that are expected to benefit from the synergies of the combination.

4. **Cash and cash equivalents**

	31.03.2021	31.03.2020
Cash and Banks	**453**	140
Short term investments	**174**	163
	627	303

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

5. **Trade accounts receivable**

	31.03.2021	31.03.2020
Accounts receivable – invoiced	**22,552**	39,338
Accounts receivable – invoices to be issued	**12,180**	29,424
(-) Provision for doubtful accounts	**(1,391)**	(1,389)
	33,341	67,373

	31.03.2021	31.03.2020
Balances at the beginning of the year	**(1,389)**	(384)
Provision set up (+)	**(2)**	(1,005)
Write-off (-)	**-**	-
Recovered amounts (-)	**-**	-
Balance at the end of the year	**(1,391)**	(1,389)

6. **Property and equipment**

The details of fixed assets are disclosed as follows:

	Improvements	**Machines and equipments**	**Furniture and fixtures**	**Vehicles**	**Others**	**Total**
Cost						
Balances at March 31, 2019	3,194	6,417	1,751	63	43	11,468
Additions	-	221	10	-	-	231
Disposals	-	(64)	(13)	-	-	(77)
Balances at March 31, 2020	3,194	6,574	1,748	63	43	11,622
Additions	**887**	**29**	**-**	**-**	**-**	**916**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Balances at March 31, 2021	**4,081**	**6,603**	**1,748**	**63**	**43**	**12,538**
Depreciation						
Balances at March 31, 2019	(728)	(2,350)	(468)	(22)	(23)	(3,591)
Depreciation for the year	(1,232)	(1,251)	(175)	(12)	(6)	(2,676)
Disposals	-	64	6	-	-	70
Balances at March 31, 2020	(1,960)	(3,537)	(637)	(34)	(29)	(6,197)
Depreciation for the year	**(2,092)**	**(1,179)**	**(175)**	**(13)**	**(2)**	**(3,461)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Balances at March 31, 2021	**(4,052)**	**(4,716)**	**(812)**	**(47)**	**(31)**	**(9,658)**
Net value						
Balances at March 31, 2019	2,466	4,067	1,283	41	20	**7,877**
Balances at March 31, 2020	1,234	3,037	1,111	29	14	**5,425**
Balances at March 31, 2021	**29**	**1,887**	**936**	**16**	**12**	**2,880**

	Improvements	Machines and equipments	Furniture and fixtures	Vehicles	Others	Total
Average rate of annual depreciation	**4%**	**10%**	**10%**	**20%**	**5% to 20%**	

7. Intangible assets

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. ("Complex IT") shares. During May 2013, the Company paid an anticipation value which generates a temporary goodwill amount to R$10,739. On December 30, 2014, the Company acquired the remaining 49% of Complex IT Solution shares and recognized the amount of R$26,089 totalizing R$36,828 related to goodwill. Additionally, on January 1st, 2017, Tech Mahindra incorporated Complex IT Solution figure´s

During 2021, the Company accrued the goodwill impairment amounting to R$36,828 based on value in use which represents the present value of future cash flows.

The remaining amount is composed by software license an amount of R$457 (R$761 as of March 31, 2020).

8. Leases

As of April 1st, 2019, the Company adopted the CPC06 (R2) / IFRS 16, with effect on shareholders' equity.

		Adoption			
	01.04.2019	**Amortization**	**31.03.2020**	**Amortization**	**31.03.2021**
Rights of use					
Offices - ~ 36 months	1,847	**(715)**	**1,132**	**(715)**	**417**
Total assets	**1,847**	**(715)**	**1,132**	**(715)**	**417**

				Adoption			
Liabilities	**01.04.2019**	**Interests**	**Payments**	**31.03.2020**	**Interests**	**Payments**	**31.03.2021**
Offices - ~ 36 months	4,548	168	(2,102)	**2,614**	**111**	**(1,372)**	**1,353**
Total liabilities	**4,548**	**168**	**(2,102)**	**2,614**	**111**	**(1,372)**	**1,353**
Current liabilities				**1,761**			**1,353**
Non-current liabilities				**853**			**-**

	Adoption	**Amortization**					
Other equity	**01.04.2019**	**and interest**	**Payments**	**31.03.2020**	**and interest**	**Payments**	**31.03.2021**
Offices - ~ 36 months	2,701	890	(2,102)	**1,489**	**826**	**(1,372)**	**943**
Total other equity	**2,701**	**890**	**(2,102)**	**1,489**	**826**	**(1,372)**	**943**

9. Loan and financing

	Average annual interest	Beginning Date	Maturity Date	31.03.2021	31.03.2020
Current liabilities					
Bank Citibank (K Giro)	9.34%	23/01/2021	23/01/2022	**4,070**	-
Bank Itaú	10.55%	03/09/2020	27/08/2021	**4,000**	-
Bank Citibank (Garantida)	-	-	-	**-**	10,388
Bank Citibank (K Giro)	7.20%	23/01/2020	23/01/2021	**-**	4,054
Bank Itaú (i)	9.79%	02/03/2020	04/09/2020	**-**	4,261
				8,070	18,703

(i) The loans are indexed by derivative financial instruments. Refer to note 13.2 (b).

10. Related parties

Operation with related party refers to consulting services rendered to Tech Mahindra Limited. As of March 31, 2021 and 2020, the amounts are summarized as follows

	31.03.2021	31.03.2020
Tech Mahindra Limited – billed	**736**	932
Tech Mahindra Limited – unbilled	**1,846**	2,383
Total current assets	**2,582**	3,315
Tech Mahindra Limited	1	1
Total non-current assets	**1**	1
Tech Mahindra Limited	**23,189**	20,523
Tech Mahindra Americas Inc.	**23,238**	16,733
Mahindra Engineering Services (Europe) Ltd – UK	**68,054**	58,056
LCC Central America de Mexico de C.V.	**21**	-
Total current liabilities	**114,502**	95,312
Tech Mahindra Limited	**15,211**	13,754
Total non-current liabilities	**15,211**	13,754

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L an amount of R$4,241 at March 31, 2021 (R$4,143 at March 31, 2020).

11. Provision for contingencies

The Company, in the normal course of its operations, is a party to judicial proceedings. Management, based on information from its legal advisors and the analysis of judicial proceedings pending judgment, concluded and set up a provision amounting to R$63,933 (R$13,754 as of March 31, 2020) related to labour and tax causes classified as probable loss risk assessment.

12. Equity

As of March 31, 2021 and 2020, the capital is represented by 59,135,059 (Fifty nine million, one hundred thirty five thousand, fifty nine) shares related to social capital amounts to R$2.00 totalizing an amount of R$118,270,118.00 (One hundred and eighteen million, two hundred and seventy thousands, one hundred and eighteen reais) recorded as follows:

Shareholders	**Nº Quotas**	**%**
Tech Mahindra Limited	59,135,059	100,00
	59,135,059	**100,00**

13. Financial instrument and risk management

13.1 Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy.
- Market risk: the Company is exposed to market risk that can impact your cash flow.
- • Liquidity risk: consists of the possibility of the Company not having sufficient funds to honor its commitments due to the different terms for settlement of its rights and obligations. The Company's liquidity and cash flow control is monitored by the Company's financial management department, to ensure that cash flow from operations and the previous funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Company.

13.2 Financial instruments

(a) **Financial instruments**

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

Financial assets	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Book value	Book value	**Fair value**	Fair value
Cash and cash equivalents	**627**	303	**627**	303
Trade accounts receivable	**33,341**	67,373	**33,341**	67,373
Taxes recoverable	**1,622**	1,277	**1,622**	1,277
Related parties	**2,583**	3,316	**2,583**	3,316
Financial instruments derivatives	**-**	730	**-**	730
Other receivables	**1,824**	2,830	**1,824**	2,830
	39,997	75,829	**39,997**	75,829

Financial liabilities	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Book value	Book value	**Fair value**	Fair value
Trade accounts payable	**1,115**	1,395	**1,115**	1,395
Salary and social charges	**7,165**	11,980	**7,165**	11,980
Taxes liabilities	**258**	466	**258**	466
Loans and financing	**8,070**	14,442	**8,070**	14,442
Related parties	**129,713**	109,063	**129,713**	109,063
Other liabilities	**16,377**	12,752	**16,377**	12,752
	162,698	150,098	**162,698**	150,098

(b) Derivatives

In accordance with the accounting policies as set out in CPC 48 (IFRS 9) all derivative financial instruments with hedging purposes are measured at fair value and recorded in the balance sheet against income for the year.

The derivative financial instruments held by the Company are intended to protect its future raw material purchases of the effects of changes in foreign currency, and are not used for speculative purposes. At March 31, 2021 and 2020, outstanding contracts Non-Deliverable Forwards (NDFs) were:

Type		**31.03.2021**	
	Nominal Amount	**Fair value (market value - R$)**	**Gain (Unrealized) 31.03.2020**
NDF – Assets			
Foreign currency – US$	-	-	-
Current assets			-
Non-current assets			-

Type		31.03.2020	
	Nominal Amount	Fair value (market value - R$)	Gain (Unrealized) 31.03.2019
NDF – Liabilities			
Foreign currency - US$	820	3,531	730
			730
Current assets			730
Non-current assets			-

The unrealized loss or gain represent the difference between the value of the instrument by the curve and fair value (market) and were recorded at March 31, 2021 and 2020 in the "Financial results" line.

14. Insurance coverage (unaudited)

At March 31, 2021 and 2020, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

15. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

16. Earnings (losses) per unit of interest

Calculation of basic earnings (losses) per unit of interest is made by dividing net income (loss) for the year attributed to holders of the Company's units of interest by the weighted average number of units of interest available in the year ended.

The chart below sets out net income and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	31.03.2021	31.03.2020
Basic and diluted earnings per unit of interest		
Numerator		
Loss for the year attributed to Company unit of interest holders (in thousands of reais)	**(130,124)**	(52,477)
Denominator (in units of interest)		
Weighted average number of units of interest	59,135,059	59,135,059
Basic and diluted earnings (losses) per units of interest (in R$)	**(2.200)**	(0.887)

CITISOFT PLC

Directors
V N Nair
L Chidambaram
B B Pal
P V Migliore
T J Secaur

Company secretary
E J Newell

Registered number
01968753

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63 Queen Victoria Street
London
EC4N 4UA

Independent auditors
Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
Horsham

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their strategic report for the year ended 31 March 2021.

Business review

At a group level Citisoft comprises Citisoft Plc, its UK trading entity, and Citisoft Inc, a subsidiary company conducting business in North America. Citisoft Inc has maintained the strong growth over the last few years and has achieved revenue in 2021 of US$ 19,318,031 and net income of US$ 839,121 (2020: Revenue: US$ 19,994,982 and Net Loss of US$ 270,706) respectively for the same year end. Citisoft group accounts, however, are consolidated at the parent company level so the accounts herein reflect Citisoft Plc on a stand-alone basis. The final results show a consolidation of its position given the circumstances that prevailed during the year to 31 March 2021.

Citisoft Plc had a relatively successful year, when considered in the context of prevailing market conditions and the ongoing COVID-19 pandemic. David Higgins joined the business as Managing Director in April 2020, followed by three additional full-time consultants – one at Director, and two at Principal level. This additional headcount increased both the profile of the business and added significant and diverse skill sets to the organisation aligned to current client demand. Throughout the year, this allowed the business to open meaningful dialogue with client prospects on topics and themes that were previously unsupportable.

Over the course of the year, Citisoft met with over 100 industry participant organisations, including asset managers, owners, service providers and software vendors. This activity served a dual purpose, firstly to re-establish the Citisoft brand, and second to reinvigorate the sales pipeline and to generate new business leads. Through this approach, and as well as consolidating our existing relationships with strategic clients, this achieved fee earning work with five new clients.

One year on, and with the COVID-19 pandemic still prevalent, the asset management industry continues to operate under a Business Continuity Planning scenario. With only a few notable exceptions, significant strategic change projects remain generally ‘on-hold’ and there are many examples of where clients have delayed project funding decisions pending the outcomes of the vaccine roll-out and impact on opening-up economies. Citisoft UK, whilst it has grown, remains small and nimble and this will allow it to support client near-term needs. At the same time, the business will continue to be re-positioned to win larger and more complex work once client investment spend is released. In order to do this, Citisoft has in-place plans to further expand its capabilities, in terms of number of consultants, functional capability and markets serviced.

Principal risks and uncertainties

The duration of the Covid-19 pandemic remains unknown, and whilst there continues to be a ‘build-up’ of demand for consulting services, the timings of the release of appropriate funding remains unknown. Citisoft’s plans to increase headcount can only occur on the same timeline as this demand.

As well as established competitors, there are a number of small start-up consultancies that have launched during the last 12 months in the UK. It is important that as the business grows, and looks to win scale projects, it does not lose work to these new organisations. The business must remain cognisant of fee pressures that may occur as a result of this trend.

Financial key performance indicators

We continued to take rigorous control of our cost base and operate as efficiently as possible. The main drivers of our business are utilisation and fee rates. During the last year, we held our rates for pre-existing client engagements, and with one exception where the client credential itself brought significant value, we have increased our daily rate levied.

Citisoft Plc and Citisoft Inc operates as a global firm and under the continued leadership of Paul Migliore as the Global CEO and Thomas Secaur as the Global COO. Significant progress has been made on our co-branding to develop a single global firm “Citisoft” in the marketplace. We believe that this business strategy will best serve our firm going forward in competing for and winning new client relationships.

Directors’ statement of compliance with duty to promote the success of the company

This statement is intended by the Board of Directors to set out how they have approached and met their responsibilities under s172(1)(a) to (f) of the Companies Act 2006 in the year ended 31 March 2021.

Stakeholders of the company include employees, shareholders, customers, suppliers, other creditors of the company and the community in which it operates.

The Directors, both individually and collectively, consider that they have acted in good faith to promote the success of the company for the benefit of its stakeholders as a whole (having regard to the matters set out in s172 of the Act) in the decisions taken during the year. In particular:

- To ensure the Board take account of the likely consequences of their decisions in the long-term, they receive regular and timely information on all the key areas of the business including Key Performance Indicators (KPIs), financial performance and operational matters. The company’s performance and progress is also reviewed regularly at Board.

- The company's employees are fundamental to the success of the business. The directors understand that it is critical to engage with the employees to understand their views and to ensure that all their interests are considered. To strengthen employee engagement, the directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitation.
- The company seeks to build long-term trusted relationships with its customers and suppliers and seeks regular feedback.
- In the current financial year, the company introduced a policy to make annual charitable donations to benefit the local community. The company's employees were engaged to assist in nominating the recipient charity. This is a policy that will continue to be built upon.
- The directors take environmental matters into consideration as part of their decision making and strive to be a responsible member of the local and wider community, minimising the company's impact on the environment wherever possible.
- The directors' intentions are always to behave responsibly toward all stakeholders and treat them fairly and equally, so that they all benefit from the long-term success of the company.

The directors have overall responsibility for determining the company's purpose, values and strategy and for ensuring high standards of governance. The primary aim of the directors is to promote the long-term sustainable success of the company, generating value for stakeholders and contributing to the wider society. Throughout the coming financial year, the Board will continue to review and challenge how the company can improve engagement with its employees and other stakeholders.

This report was approved by the board on May 13, 2021 and signed on its behalf.

P V Migliore
Director

Place: London

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Principal activity

The company's principal activity during the year continued to be that of providing advisory and delivery services to the asset management industry. Citisoft Plc ("Citisoft") is a UK based business consulting company with a wholly owned subsidiary, Citisoft Inc., operating in the United States of America and Canada. Citisoft operates worldwide from these three major financial jurisdictions with a primary focus on North America and the UK/EMEA.

Going concern

The company has sufficient financial resources together with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook resulting from the ongoing Covid-19 pandemic. The current economic conditions do create uncertainty over the level of demand for the company's services. However, with the expanded team within Citisoft Plc, current sales pipeline, and other continuing efforts to reinvigorate the UK practice, the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Results and dividends

The profit for the year, after taxation, amounted to £62,334 (2020 – loss £47,099).

The results for the company for the year show a pre-tax profit of £77,119 (2020 – loss of £57,855) on a turnover of £1,581,444 (2020 - £966,382).

During the year under review, the Board of Directors of the company has not approved or paid any dividend from the profits of the company.

Company's policy for payment of creditors

It is a company policy that all suppliers are dealt with in accordance with its standard payment practice whereby all outstanding trade accounts are settled within the greater of the settlement terms advised by the supplier at the time of supply and 30 days following the month of purchase.

During the year the average credit taken from suppliers was 30 days (2020 - 30 days).

Engagement with suppliers, customers and others

During the year the company continued to strengthen its customer and supplier relationships, as ensuring that the company maintains a high-quality customer service is key to its long-term success. The company continues to build on its business relationships in all areas; to promote best practice, increase efficiencies, and secure long-term, sustainable success.

Directors

The directors who served during the year were:

V N Nair

L Chidambaram

B B Pal

P V Migliore

T J Secaur

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events since 31 March 2021 that need to be disclosed.

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on May 13, 2021 and signed on its behalf.

P V Migliore
Director

Place: London

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITISOFT PLC

Opinion

We have audited the financial statements of Citisoft plc (the 'company') for the year ended 31 March 2021, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 300 to 301, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error, obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error and respond to those risks appropriately.

Based on our understanding of the company and our general commercial and industry sector experience, and through discussion with the directors and management (as required by auditing standards), we identified that the principal risks of non-compliance with areas of laws and regulations related to employment law and those that directly affect the financial statements including financial reporting and the Companies Act 2006 and taxation legislation. We considered the extent to which non-compliance might have a material effect on the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue or reduce expenditure. The potential effect of these laws and regulations on the financial statements varies considerably. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Performing analytical procedures to any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it, even though we have properly planned and performed our audit in accordance with auditing standards. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' 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.

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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Hunt BA FCA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Horsham
May 19, 2021

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	**1,581,444**	966,382
Cost of sales		**(1,101,249)**	(864,775)
Gross profit		**480,195**	101,607
Administrative expenses		**(403,574)**	(162,316)
Operating profit/(loss)	5	**76,621**	(60,709)
Interest receivable and similar income	7	**498**	2,989
Interest payable and expenses	8	**-**	(135)
Profit/(loss) before tax		**77,119**	(57,855)
Tax on (loss)/profit	9	**(14,785)**	10,756
Profit/(loss) before tax		**62,334**	(47,099)
Retained earnings at the beginning of the year		**661,427**	**708,526**
		661,427	**708,526**
(Loss)/profit for the year		**62,334**	**(47,099)**
Retained earnings at the end of the year		**723,761**	**661,427**

The notes on pages 307 to 314 form part of these financial statements.

BALANCE SHEET

As at 31 March 2021	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		**2,872**		4,057
Investments	11		**505,793**		505,793
			508,665		509,850
Current assets					
Debtors: amounts falling due within one year	12	**247,416**		167,889	
Cash at bank and in hand		**638,110**		576,830	
		885,526		744,719	
Creditors: amounts falling due within one year	13	**(188,314)**		(111,026)	
Net current assets			**697,212**		633,693
Total assets less current liabilities			**1,205,877**		1,143,543
Net assets			**1,205,877**		1,143,543
Capital and reserves					
Called up share capital	14		**112,410**		112,410
Share premium account	15		**369,706**		369,706
Profit and loss account	15		**723,761**		661,427
			1,205,877		1,143,543

The financial statements were approved and authorised for issue by the board and were signed on its behalf on May 13, 2021.

P V Migliore
Director

Place: London

The notes on pages 307 to 314 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021.

1. General information

The company is a private company limited by share capital incorporated in United Kingdom.

The address of its registered office and principal place of business is:

63 Queen Victoria Street

London

EC4N 4UA

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements have been rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tech Mahindra Limited as at 31 March 2021 and these financial statements may be obtained from Tech Mahindra Limited at the address set out in note 17.

2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Group accounts not prepared

The directors have satisfied themselves that the parent company, Tech Mahindra Limited, prepares group accounts in accordance with section 401(2) of the Companies Act 2006. The company has therefore taken advantage of the exemption provided by section 401(1) of the Companies Act 2006 not to prepare consolidated financial statements.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Unbilled revenue comprises of revenue recognised in relation to efforts incurred on time contracts not billed as of the period end where services are performed in accordance with agreed terms.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment	5	years straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Financial instruments

Financial assets, liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets and liabilities classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs). If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions set out by FRS 102 to be classified as basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

2.10 Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset’s cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

All foreign exchange gains and losses are included in profit or loss.

2.13 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Impairment of financial assets

The company's management reviews periodically items classified as trade receivables to asses whether a provision for impairment should be recorded in profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

Impact of Covid-19

During the year the incidence of Covid-19 developed into a global pandemic. The directors have assessed the impact of Covid-19 on the business at the balance sheet date and consider that the company's assets are expected to realise their carrying value in the ordinary course of business and that all known liabilities have been included. The company has not experienced any adverse impact on the demand for its services which continue to be provided to its customers with minimal disruption. Despite the worldwide uncertainty caused by Covid-19, and its potential to impact the company, the directors are confident that due to the nature of the company's customer base and its current financial strength, any potential detrimental effect on its business is not expected to be significant, and, indeed, could result in further business opportunities.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
Rendering of services	**1,581,444**	966,382
	1,581,444	966,382

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	**126,380**	225,450
Europe	**247,800**	232,050
Rest of world	**1,207,264**	508,882
	1,581,444	966,382

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2021	2020
	£	£
Exchange differences	**13,893**	3,860
Auditor's remuneration - The audit of the company's annual accounts	**9,000**	9,200
Auditor's remuneration - Other assurance and taxation services	**3,380**	6,562
Depreciation of tangible fixed assets	**1,451**	1,533

6. Employees

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	**711,608**	270,709
Social security costs	**85,420**	30,140
Cost of defined contribution scheme	**83,882**	40,467
	880,910	341,316

The average monthly number of employees, including the directors who are also employees, during the year was as follows:

	2021	2020
	No.	No.
Delivery	**4**	2
Administration	**1**	1
Business development	**1**	-
	6	3

7. Interest receivable

	2021	2020
	£	£
Interest income on bank deposits	**498**	2,989
	498	2,989

8. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable	-	135
	-	135

9. Taxation

Corporation tax

	2021	2020
	£	£
Current tax on profits for the year	**14,785**	(10,756)
	14,785	(10,756)
Total current tax	**14,785**	(10,756)
Deferred tax		
Total deferred tax	-	-
Taxation on (loss)/profit on ordinary activities	**14,785**	(10,756)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020-higher than) the standard rate of corporation tax in the UK of 19% (2020-19%). The differences are explained below:

	2021	2020
	£	£
Profit/(loss) on ordinary activities before tax	**77,119**	(57,855)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020-19%)	**14,653**	(10,992)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**15**	368
Capital allowances for year in excess of depreciation	**117**	(700)
Non-taxable income	-	568
Total tax charge for the year	**14,785**	(10,756)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Tangible fixed assets

	Office equipment
	£
Cost or valuation	
At 1 April 2020	**113,441**
Additions	**266**
At 31 March 2021	**113,707**
Depreciation	
At 1 April 2020	**109,384**
Charge for the year on owned assets	**1,451**
At 31 March 2021	**110,835**
Net book value	
At 31 March 2021	**2,872**
At 31 March 2020	**4,057**

11. Fixed asset investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 April 2020	**505,793**
At 31 March 2021	**505,793**

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Principal activity	Class of shares	Holding
Citisoft Inc*	Provision of management consultancy and implementation services to the asset management industry.	Ordinary	100%

*Citisoft Inc. is a company incorporated in the United States of America.

12. Debtors

	2021	2020
	£	£
Trade debtors	**55,650**	23,100
Amounts owed by group undertakings	**119,273**	109,967
Other debtors	**40,861**	33,782
Prepayments and accrued income	**31,632**	1,040
	247,416	167,889

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	**54,528**	53,334
Amounts owed to group undertakings	**7,252**	21,757
Corporation tax	**9,285**	-
Other taxation and social security	**43,054**	9,871
Accruals and deferred income	**74,195**	26,064
	188,314	111,026

14. Share capital

Authorised, allotted, called up and fully paid	2021	2020
	£	£
8,430,752 (2020-8,430,752) Ordinary shares of £0.01 each	**84,308**	84,308
2,810,248 (2020-2,810,248) A Ordinary shares of £0.01 each	**28,102**	28,102
	112,410	112,410

Rights, preferences and restrictions

The rights attaching to the ordinary shares and to the A ordinary shares are identical. Both classes of shares rank pari passu.

15. Reserves

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

16. Related party transactions

The company has taken advantage of the exemption in Section 33 of FRS 102 from disclosing transactions with other wholly owned members of the group.

17. Controlling party

The company's immediate parent is Tech Mahindra Limited, incorporated in India.

The ultimate parent is Tech Mahindra Limited, incorporated in India.

The financial statements of Tech Mahindra Limited are available upon request from the Company Secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India.

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Turnover	**1,581,444**	966,382
Cost Of Sales	**(1,101,249)**	(864,775)
Gross profit	**480,195**	101,607
Gross profit %	**30.4 %**	10.5%
Less: overheads		
Administration expenses	**(403,574)**	(162,316)
Operating profit/(loss)	**76,621**	(60,709)
Interest receivable	**498**	2,989
Interest payable	**-**	(135)
Tax on profit/(loss) on ordinary activities	**(14,785)**	10,756
Profit/(Loss) for the year	**62,334**	(47,099)

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Turnover		
Rendering of services, UK	**126,380**	225,450
Rendering of services, Europe	**247,800**	232,050
Rendering of services, Rest of World	**1,207,264**	508,882
	1,581,444	966,382

	2021	2020
	£	£
Cost of sales		
Wages and salaries	**490,202**	227,938
National insurance	**59,575**	25,817
Staff pension - defined contribution scheme	**64,912**	30,497
Subcontract labour	**483,520**	578,845
Staff training	**3,040**	1,542
Motor expenses	**-**	136
	1,101,249	864,775

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Administration expenses		
Staff salaries	**221,406**	42,771
Staff national insurance	**25,845**	4,323
Staff pension costs defined contribution schemes	**18,970**	9,970
Staff training	**3,332**	1,332
Entertainment	**80**	404
Printing and stationery	**220**	155
Postage	**20**	-
Telephone and fax	**666**	754
Computer costs	**1,032**	906
Charity donations	**1,000**	-
Legal and professional	**31,590**	6,352
Auditors' remuneration	**9,000**	9,200
Auditors' remuneration other services	**900**	6,562
Bank charges	**424**	389
Difference on foreign exchange	**13,893**	3,860
Sundry expenses	**68**	81
Rent	**42,750**	42,750
Rates	**29,772**	29,772
Insurances	**1,155**	1,202
Depreciation	**1,451**	1,533
	403,574	162,316

	2021	2020
	£	£
Interest receivable		
Bank interest receivable	**498**	2,989
	498	2,989

	2021	2020
	£	£
Interest payable		
Other interest - on overdue tax	**-**	135
	-	135

CITISOFT INC.

Board of Directors
Mr. Vikram Nair
Mr. Lakshmanan Chidambaram
Mr. Thomas J. Secaur
Mr. Paul V. Migliore

Registered Office
343 Congress Street,
Boston, MA 02210 USA

Bankers
Bank of America

Auditors
Mocera, Hamlin Associates CPAs LLP

DIRECTORS' REPORT

TO THE SHAREHOLDERS

This report together with the audited accounts of Citisoft, Inc. for the year ended March 31, 2021 is given below.

Review of Operations:

During the year under review, Citisoft, Inc. has recorded an income of US$ 19,318,031 and Profit /(loss) after tax was US$ 839,121 excluding affiliates revenue and cost of revenue. The Company continues to invest in strengthening its operations and administrative infrastructure to support anticipated growth in the coming years.

Dividends:

During the year under review, no dividend is recommended for the year ended 31st March, 2021.

Directors:

The directors who served during the year were as follows:

Mr. Vikram Nair

Mr. Lakshmanan Chidambaram

Mr. Thomas J. Secaur

Mr. Paul V. Migliore

Outlook for the current year:

Business has been encouraging in US and the Company is cautiously optimistic of the future.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Mr. Thomas J. Secaur
Director

Place: Boston, MA
Date: April 6, 2021

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholders
Citisoft, Inc.
Boston, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Citisoft, Inc., a Delaware corporation and wholly-owned subsidiary of Citisoft Plc, (the "Company"), which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of operations, comprehensive activity and statements of changes in stockholders' equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the overall reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Citisoft, Inc. as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Mocera Hamlin Associates CPAs LLP
April 15, 2021

BALANCE SHEETS AS AT MARCH 31, 2021 AND 2020

		2021		2020
Assets				
Current assets:				
Cash	$	5,397,741	$	2,502,707
Accounts receivable, trade, net of allowance for doubtful accounts of $50,000 and $297,000 in 2021 and 2020, respectively		4,160,630		3,730,548
Other receivables		3,450		5,380
Investments		951,505		651,074
Prepaid expenses		69,177		60,632
Canadian tax withholdings		366,665		209,001
Refundable income taxes		-		329,109
Total current assets		**10,949,168**		**7,488,451**
Property and equipment, net of accumulated depreciation		132,233		157,449
Other assets:				
Deferred income taxes		216,776		270,043
Goodwill, net of accumulated amortization of $109,327 and $54,663 in 2021 and 2020, respectively		437,306		491,970
Total other assets		**654,082**		**762,013**
Total assets	**$**	**11,735,483**	**$**	**8,407,913**
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long-term debt	$	442,665	$	-
Accounts payable		149,655		97,111
Accounts payable, affiliates		164,549		136,392
Income taxes payable		240,296		-
Accrued expenses		2,342,771		1,874,217
Total current liabilities		**3,339,936**		**2,107,720**
Long-term debt, net of current portion		1,085,852		-
Deferred income taxes		163,677		186,673
Total liabilities		**4,589,465**		**2,294,393**
Stockholders' equity				
Common stock, $0.01 par value; 1,000 shares authorized and 1,000 shares issued and outstanding		10		10
Additional paid in capital		683,895		683,895
Accumulated other comprehensive income		224,277		30,900
Retained earnings		6,237,836		5,398,715
Total stockholders' equity		**7,146,018**		**6,113,520**
Total liabilities and stockholders' equity	**$**	**11,735,483**	**$**	**8,407,913**

See Independent Auditor’s Report and Notes to Financial Statements.

CITISOFT INC

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

		2021		2020
Revenue				
Consulting revenue	$	19,318,031	$	19,994,892
Consulting revenue - affiliates		1,339,243		643,787
		20,657,274		**20,638,679**
Cost of revenue				
Cost of revenue		11,275,211		13,567,303
Cost of revenue - affiliates		1,339,243		643,787
		12,614,454		**14,211,090**
Gross profit		8,042,820		6,427,589
Selling, general and administrative expenses		6,821,904		6,767,382
Income (loss) from operations		1,220,916		(339,793)
Other income (expense)				
Interest income, net		1,148		34,706
Realized gains on sale of investments		18,909		16,465
Realized loss on foreign currency exchange		(69,987)		(12,849)
Total other income (expense), net		**(49,930)**		**38,322**
Income (loss) before provision for (benefit from) income taxes		1,170,986		(301,471)
Provision for (benefit from) income taxes, net of $88,145 and $(17,140) for tax provision (benefit) on other comprehensive income (loss) in 2021 and 2020, respectively		331,865		(30,764)
Net income (loss)		839,121		(270,707)
Other comprehensive income (loss)				
Realized and unrealized gains (loss) on investments		300,431		(38,827)
Less: reclassification adjustment for realized gain included in net income (loss)		(18,909)		(16,465)
Other comprehensive (loss) income		281,522		(55,292)
Provision for (benefit from) income tax on items related to other comprehensive income (loss)		88,145		(17,140)
Other comprehensive income (loss), net of tax		193,377		(38,152)
Net comprehensive income (loss)	$	1,032,498	$	(308,859)

See Independent Auditor’s Report and Notes to Financial Statements.

STATEMENTS OF CHANGES IN STOCKHOLDERS ' EQUITY YEARS ENDED MARCH 31, 2021 AND 2020

	Common Stock Shares	Amount	Additional Paid-In-Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Stockholders' Equity
Balance at March 31, 2019	1,000	$ 10	$ 683,895	$ 69,052	$ 5,669,422	$ 6,422,379
Net loss	-	-	-	-	(270,707)	(270,707)
Other comprehensive income, net of tax	-	-	-	(38,152)	-	(38,152)
Balance at March 31, 2020	1,000	10	683,895	30,900	5,398,715	6,113,520
Net loss	-	-	-	-	839,121	839,121
Other comprehensive loss, net of tax	-	-	-	193,377	-	193,377
Balance at March 31, 2021	**1,000**	**$ 10**	**$ 683,895**	**$ 224,277**	**$ 6,237,836**	**$ 7,146,018**

See Independent Auditor’s Report and Notes to Financial Statements

CITISOFT INC

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2021 AND 2020

		2021		2020
Operating activities				
Net income (loss)	$	**839,121**	$	(270,707)
Other comprehensive income (loss), net of tax		**193,377**		(38,152)
Adjustments to reconcile net income (loss) to net cash				
provided by (used in) operating activities:				
Depreciation and amortization		**98,114**		111,365
(Reversal of) provision for bad debt expense		**(247,000)**		282,000
Deferred income taxes		**30,271**		60,764
Realized gains from investments		**(18,909)**		(16,465)
Unrealized (gains) loss on investments		**(281,522)**		55,292
Changes in operating assets and liabilities:				
Accounts receivable, trade		**(183,082)**		(643,404)
Other receivables		**1,930**		(1,930)
Prepaid expenses		**(8,545)**		4,726
Canadian tax withholdings		**(157,664)**		(207,718)
Accounts payable		**52,544**		(115,323)
Accounts payable, affiliate		**28,157**		(9,185)
Income taxes refundable/payable		**569,405**		(129,533)
Accrued expenses		**468,554**		139,525
Net cash (used in) provided by operating activities		**1,384,751**		(778,745)
Investing activities				
Purchases of property and equipment		**(18,234)**		(9,755)
Net cash used in investing activities		**(18,234)**		(9,755)
Financing activities				
Proceeds from long-term debt		**1,528,517**		-
Net cash provided by financing activities		**1,528,517**		-
Increase (decrease) in cash		**2,895,034**		(788,500)
Cash, beginning of period		**2,502,707**		3,291,207
Cash, end of period	$	**5,397,741**	$	2,502,707

See Independent Auditor’s Report and Notes to Financial Statements.

Note 1 – Nature of Business, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Business

Citisoft, Inc. (the "Company") was incorporated in Delaware on September 16, 2002 and provides consulting and information technology services to the investment and financial services industry. The Company is a wholly-owned subsidiary of Citisoft Plc, located in the United Kingdom, which is an affiliate of Tech Mahindra, a provider of information technology services, internet services, business process outsourcing and software development support. Tech Mahindra's principal office is located in Hyderabad, India. Tech Mahindra acquired a 75% interest in the Company's parent, Citisoft Plc, in April, 2005 and the remaining 25% was acquired in June, 2006. The Company provides services to customers throughout the United States and Canada. The breakout of sales for the years ending March 31, 2021 and 2020 is as follows:

		2021			2020	
Unites States	**$**	**15,097,837**	**73%**	$	16,298,671	79%
Canada		**5,559,437**	**27%**		4,340,008	21%

Basis of Presentation

The financial statements have been prepared by the Company to reflect the results of operations and financial position of Citisoft, Inc. as of and for the years ended March 31, 2021 and 2020. The financial statements include all inter-company transactions. Any eliminations of inter-company transactions are recorded during the consolidation of the Company's financial information with its parent company, Citisoft Plc, which have not been reflected in the accompanying financial statements.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Authoritative Guidance

During the year ended March 31, 2020, the Company adopted ASC Topic 606. "Revenue from Contracts with Customers", using the retrospective method. Management has analyzed the provisions of the FASB's ASC Topic 606 and have concluded that no changes are necessary to conform to the new standard.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and investments. The carrying amounts of the Company's cash and cash equivalents, accounts receivable, accounts payable and investments approximate fair value due to their short-term nature.

Cash

The Company considers all highly liquid investments with an original maturity or remaining maturity of three months or less at the date of purchase to be cash equivalents. Cash and claims to cash that are restricted as to withdrawal or uses in the ordinary course of business are classified as deposits in the balance sheet at March 31, 2021 and 2020.

The Company places its temporary cash investments in high credit financial institutions. However, portions of temporary cash investments may exceed FDIC insured levels. Management monitors, on a regular basis, the financial condition of the financial institutions, along with their balances, to reduce the risk of balances exceeding FDIC insured limits.

Concentration of Credit Risk and Accounts Receivable

The Company grants credit to its customers during the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral from its customers. Accounts receivable balances are typically unsecured and are derived from revenues earned from customers primarily located in the United States of America. The Company monitors the creditworthiness of its customers to which it grants credit limits in the normal course of business, and its historical experience of potential credit losses which, when realized, have been within the range of management's expectations.

Management has reviewed accounts receivable and has determined that an allowance for doubtful accounts totaling $50,000 and $297,000 was warranted as of March 31, 2021 and 2020, respectively.

Investments

The Company's investments in marketable securities are reported in accordance with Accounting Standards Codification (ASC) Topic 320, "Investments – Debt and Equity Securities" (ASC 320). Under this standard, debt and equity securities are classified into one of the following three reporting categories: held to maturity securities, trading securities or available-for-sale securities. The Company has classified marketable securities as available-for-sale securities and are recorded at fair market value at year end with unrealized gains and losses being excluded from earnings and reflected as a component of other comprehensive income. The basis, on which cost is determined in computing realized gain or loss, is specific identification of the securities sold.

Property and Equipment

Property and equipment are stated at actual cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives which are three to five years for computer equipment, five years for furniture and fixtures and fifteen years for leasehold improvements. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

At March 31, 2021 and 2020, property and equipment, at cost, and accumulated depreciation consisted of the following:

		2021		2020
Cost	$	**580,579**	$	562,345
Less: accumulated depreciation		**(448,346)**		(404,896)
Net book value	$	**132,233**	$	157,449

Depreciation expense for the years ended March 31, 2021 and 2020 amounted to $43,450 and $56,702, respectively.

Goodwill

Goodwill represents the difference between the purchase price and the fair value of assets and liabilities acquired in a business combination. The Company accounts for goodwill in accordance with Accounting Standards Codification Topic 350, "Intangible-Goodwill and Other" (ASC 350). ASC 350 states certain intangible assets are not subject to amortization but are tested for impairment annually.

The entire balance of goodwill at March 31, 2021 and 2020 is attributable to the 2002 acquisition of The Rowan Group, a Company organized by the three senior executives who continue to manage the marketing and management activities of the Company.

During the year ended March 31, 2020, the Company started amortizing goodwill on a straight line basis over a period of ten (10) years in accordance with ASC 350. For the years ended March 31, 2021 and 2020, amortization expense amounted to $54,664 and $54,663, respectively.

Accounting for the Impairment of Long-Lived Assets

The Company accounts for impairment or disposal of long-lived assets in accordance with Accounting Standards Codification Topic 360, "Property, Plant, and Equipment" (ASC 360). ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. Impairment is measured by comparing the undiscounted future cash flows for the carrying value of the assets held at the Company's location. If the total expected undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment charge. Management believes no event has occurred that would impair the value of long-lived assets recorded in the accompanying financial statements.

Revenue Recognition

Revenues from the performance of time-and-material consulting projects are recognized as the services are performed. Revenues from fixed price engagements are recognized on the percentage of completion basis with revisions to estimates reflected in the period in which changes become known. Provision for losses on such engagements is made during the period in which a loss becomes probable and can be reasonably estimated.

In accordance with Accounting Standards Codification Topic 605, (ASC 605), "Revenue Recognition", the Company has accounted for reimbursements received for out-of-pocket expenses incurred as revenues in the statements of operations and comprehensive loss.

All contracts require the Company's clients to pay for out-of-pocket expenses, principally travel related expenses. Accordingly, revenue includes amounts billed for these costs and cost of revenue includes the related actual costs incurred.

The timing of revenue recognition is entirely over time as services are provided. Generally, billing occurs subsequent to revenue recognition, resulting in billed receivables, which have been recorded under accounts receivable, trade on the accompanying balance sheets.

Revenue by performance obligation for the years ended March 31, 2021 and 2020 is as follows:

Services Transferred Over Time	**2021**		2020	
	Consulting Revenue	**Consulting Revenue-Affiliates**	Consulting Revenue	Consulting Revenue-Affiliates
Strategic Assessment	$ **991,410**	$	1,992,262	$
Systems Strategy & Selection	**1,905,200**	**-**	1,665,695	-
Systems Implementation	**8,623,288**	**1,339,243**	9,328,585	643,787
Program & Project Management	**4,489,413**	**-**	3,408,085	-
Outsourcing Evaluation	**-**	**-**	295,875	-
Outsourcing Transition	**3,305,270**	**-**	1,289,824	-
Other Consulting Fees	**3,450**	**-**	2,014,566	-
	$ **19,318,031**	$ **1,339,243**	$ 19,994,892	$ 643,787

Advertising Costs

The Company expenses the costs of advertising as incurred. Advertising costs for the years ended March 31, 2021 and 2020 amounted to approximately $74,000 and $137,000, respectively, and are included in selling, general and administrative expenses in the accompanying statements of operations and comprehensive loss.

Variable Interest Entities

Variable Interest Entities (“VIE’s”) are entities to which the usual condition of consolidation (ownership of a majority voting interest) does not apply. This interpretation focuses on financial interests that indicate control. Variable interests are rights and obligations that convey economic gains or losses from changes in the values of the VIE’s assets and liabilities.

If a company holds a majority of the variable interests of an entity, it would be considered the primary beneficiary. The primary beneficiary would be required to include assets, liabilities and the results of operations of the VIE in its financial statements. Management has determined that no variable interest entities exist which would require disclosure or consolidation in the financial statements as of March 31, 2021 and 2020.

Income Taxes

Income taxes are accounted for in accordance with the provisions of Accounting Standards Codification Topic 740, “Income Taxes” (ASC 740). The provisions for deferred income tax expense or benefit represent the net change during the year in the Company’s deferred income tax assets or liabilities.

Deferred income tax assets represent the amount of taxes recoverable in future years (based on current tax laws) resulting from future net tax deductions arising from the temporary differences in the reporting of certain types of income and expense items for financial statement and income tax reporting purposes.

Deferred income tax liabilities represent the amount of taxes payable in future years (based on current tax laws) resulting from the future net taxable amounts arising from temporary differences in the reporting of certain types of income and expense items for financial statements and for income tax reporting purposes.

In accordance with ASU 2015-17 “Income Taxes: Balance Sheet Classification of Deferred Taxes,” the presentation of deferred income taxes is required to be presented as noncurrent in a classified balance sheet. Accordingly, the Company has classified the deferred tax assets and liabilities as noncurrent in the accompanying balance sheets.

The Company accounts for uncertain income tax positions under ASC 740. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on classification, interest and penalties, disclosure and transition.

As of March 31, 2021 and 2020, the Company had no material unrecognized tax benefits and no adjustments to liabilities or operations required under ASC 740. The Company’s practice was and continues to be to recognize interest and penalty expenses related to uncertain tax positions in income tax expense, which were zero for the years ended March 31, 2021 and 2020. Generally, the three preceding tax years are subject to examination by federal and state taxing authorities. There are no income tax examinations currently in process.

Note 2 – Investments

Investments are reported at fair value in accordance with the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures" (ASC 820). ASC 820 defines fair value as 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. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that is based on the subjectivity of inputs to valuation techniques used to measure fair value. It distinguishes between observable inputs (Levels 1 & 2) which are either observable from market data or corroborated by observable market data and those that are unobservable (Level 3).

The Company did not have any level 2 or level 3 assets or liabilities as of March 31, 2021 and 2020. In addition, the Company did not have any transfers of assets and liabilities between levels 1, 2 and 3 during the years ending March 31, 2021 and 2020.

The following tabulation summarizes changes in relationships between the cost and fair values of marketable securities:

	Level 1		
	Aggregate Fair Value	Cost	Accumulated Holding Gain
March 31, 2020	$ 651,074	$ 530,000	$ 121,074
March 31, 2021	**$ 951,505**	**$ 530,000**	**$ 421,505**

Note 3 – Long-Term Debt

The Company entered into an agreement on May 1, 2020 under the Paycheck Protection Program ("PPP") to borrow $1,528,517. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after a period of eight or twenty four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced, with exceptions, if the borrower terminates employees or reduces salaries by more than 25% during the eight or twenty four-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Company intends to use the proceeds for purposes consistent with the PPP. While the Company believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, forgiveness of the loan has been applied for but has not been approved and therefore could not be assured as of March 31, 2021.

Long-term debt consists of the following as of March 31, 2021:

	2021
Long-term debt	**$ 1,528,517**
Less current portion	**442,665**
Long-term debt, net of current portion	**$ 1,085,852**

Note 4 – Accrued Expenses

Accrued expenses as of March 31, 2021 and 2020 consisted of the following:

	2021	2020
Employee bonus and vacation	**$ 1,165,316**	$ 752,778
Executive plan benefit	**948,380**	590,657
Canadian tax accrued on sales and services	**130,062**	457,012
Payroll taxes	**64,873**	41,270
Professional fees	**34,140**	32,500
	$ 2,342,771	$ 1,874,217

Note 5– Income Taxes

The provision for (benefit from) income taxes for the years ended March 31, 2021 and 2020 is comprised of the following:

		2021		2020
Current (benefit)provision:				
Federal	**$**	**238,157**	$	(91,977)
State		**73,882**		(16,691)
Foreign		**77,700**		-
		389,739		(108,668)
Deferred provision (benefit):				
Federal		**19,797**		49,556
State		**10,474**		11,208
		30,271		60,764
Total	**$**	**420,010**	$	(47,904)

As of March 31, 2021 and 2020, net operating loss carryforwards for federal and state income tax purposes were either utilized in full or became available for carry-back to prior years with taxable income with a change in tax law.

Significant components of activities that gave rise to the deferred tax assets and liabilities included in the financial statements as of March 31, 2021 and 2020 are as follows:

		2021		2020
Deferred tax assets (liabilities) :				
Accrued expenses and allowance for doubtful accounts Net operating loss, other losses and charitable contribution	**$**	**214,579**	$	254,563
carryforward		**2,197**		15,480
		216,776		270,043
Depreciation and amortization		**(163,677)**		(186,673)
Net deferred tax assets	**$**	**53,099**	$	83,370

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon generating future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible.

As of March 31, 2021 and 2020, management believes a valuation allowance for any deferred tax assets is not necessary as the value of deferred tax assets are expected be realized through profitability in subsequent years.

Note 6 – Related Party Transactions

The Company obtained consulting support services and related expenses from its parent company, Citisoft Plc, during the years ended March 31, 2021 and 2020 totaling $1,339,243 and $643,787, respectively. These services were in turn billed to the Company's customers in the amounts at which it was invoiced by Citisoft Plc. At March 31, 2021 and 2020, the Company was indebted to its parent company Citisoft Plc in the amount of $164,549 and $136,392 in connection with consulting support services.

Note 7 – Contingencies and Commitments

Real Estate Lease Agreement

The Company has an operating lease for its office premises through May 31, 2021. The Company is contingently liable for the performance of certain customary obligations associated with office premise leases and that performance is secured by a collateralized letter of credit issued by the Company's primary bank. Management fully expects to comply with all of the related lease obligations and provisions. Total rent expense including maintenance costs for the years ended March 31, 2021 and 2020 amounted to approximately $274,000 and $269,000, respectively.

On November 1, 2020, the Company entered into a one year agreement to lease office space in Canada through October 31, 2021. Prior to this agreement, the Company was a tenant-at-will making monthly rental payments of approximately $2,000. For the years ended March 31, 2021 and 2020, total rent expense amounted to approximately $16,400 and $23,300, respectively.

The future minimum rental payments required under the real estate lease agreements as of March 31, 2021 amounted to approximately $58,000.

Note 8 – Common Stock

As of March 31, 2021 and 2020, the Company has authorized 1,000 shares of common stock with a $0.01 par value, of which 1,000 shares were issued and outstanding. All of the outstanding shares are held by the parent company, Citisoft Plc.

Note 9 – Significant Customers and Vendors

During the years ended March 31, 2021 and 2020, approximately $9,500,000 and $6,790,000 of the Company's sales, excluding amounts billed for consulting revenue by affiliate, were to three and two customers, respectively. Amounts due from these customers and included in accounts receivable, trade, at March 31, 2021 and 2020 amounted to approximately $1,029,000 and $838,000, respectively.

As of March 31, 2021 and 2020, the Company had incurred fees from one significant service provider amounting to approximately $338,000 and $411,600, respectively. Amounts due to this vendor and included in accounts payable, trade at March 31, 2020, amounted to approximately $19,950. There were no amounts due to this vendor and included in accounts payable, trade at March 31, 2021.

Note 10 – Retirement Plan

Supplemental Executive Retirement Plan

The Company has in effect a non-qualified deferred compensation arrangement for certain select employees. All contributions made by the Company is subject to a four (4) year vesting period starting on the date the contribution was made and will be allocated to each participant's individual account within the Plan's investment account. As of March 31, 2021 and 2020, there were no amounts contributed to the plan by the Company. Contributions accumulated under the Plan are invested in marketable securities and are carried at fair market value, which as of March 31, 2021 and 2020 amounted to $951,505 and $651,074, respectively, and is included in investments on the accompanying balance sheets. (See Note 2).

Corporate Owned Incentive Life Insurance Plan

The Company has in effect a Nonqualified Deferred Pension Life Insurance plan (the "Plan") for all eligible employees. Each employee participant may elect to defer compensation to the Plan pre-tax, subject to Internal Revenue Service limitations.

While the Company expects to continue the Plan indefinitely, it has reserved the right to modify, amend or terminate the Plan. In the event of termination, the entire amount contributed under the Plan must be applied to the payment of benefits to the participants or to their beneficiaries, as defined in the Plan, of each participant.

Note 11 – Supplemental Disclosure Cash Flow Information

Cash paid for income taxes during the years ended March 31, 2021 and 2020 consists of the following:

		2021		2020
Income taxes, net	**$**	**9,478**	$	13,156

Note 12 – Subsequent Event

During March 2020, the World Health Organization has declared the coronavirus ("COVID-19") outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak has caused widespread disruption across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company's employees, customers and vendors all of which are uncertain and cannot be predicted. While the Company expects this matter to negatively impact its operating results, at the date the financial statements were available to be issued, the related impact and duration cannot be reasonably estimated.

NTH DIMENSION LIMITED

DIRECTORS
Vikram Narayanan Nair
Vivek Agarwal
Sujit Baksi

REGISTERED OFFICE
1st Floor
Charles Schwab Building
401 Grafton Gate (E)
Milton Keynes
MK9 1AQ

REGISTERED NUMBER
09593983 (England and Wales)

BANKERS
HSBC Bank Plc

AUDITORS
Butler & Co LLP
Chartered Accountants
Third Floor
126-134 Baker Street
London W1U 6UE

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITY

The company's principal activity is to provide IT Services to the Healthcare and Government sectors in the UK.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividend was paid in the year. The directors do not recommend the payment of any final dividend in respect of the current financial year.

DIRECTORS

The directors who served throughout the year and to the date of this report, unless otherwise stated, were:

Sujit Baksi

Vikram Narayanan Nair

Vivek Agarwal

GOING CONCERN

The Board of Directors are of the opinion that company will get future contracts, as the directors are currently pursuing to secure prospective customers. The directors have also received confirmation from its parent company, Tech Mahindra Limited, that it will redeem part of preference shares and remaining portion will be converted into equity when it will be due. Based on these, the directors are of the opinion that going concern basis is appropriate

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: select suitable accounting policies and then apply them consistently; make judgements and accounting estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

COVID 2019

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Approved by the Board of Directors and signed on behalf of the Board

Vivek Agarwal
Director

Date: June 2, 2021
Place: Milton Keynes

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NTH DIMENSION LIMITED

Opinion

We have audited the financial statements of Nth Dimension Limited (the 'company') for the year ended 31 March 2021 which comprise the Profit and loss account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the COVID19 pandemic on our audit

Uncertainties related to the effects of COVID19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID19 is one of the most significant public health, social and economic event and at the date of this report, its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardise firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 332, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- Enquiries of management, concerning the company's policies and procedures relating to:
    - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
    - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants & Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE
Date: June 2, 2021

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Note	**Year Ended 31-Mar-2021 £**	Year Ended 31-Mar-2020 £
Turnover		**2,521,914**	3,993,255
Other Income		**76,172**	63,626
Cost of Sales		**-1,187,233**	-3,328,008
Gross Profit		**1,410,853**	728,873
Administrative Expenses		**-20,102**	-88,855
Operating Profit/ (Loss)		**1,390,751**	640,018
Interest Payable		**-**	
Loss on ordinary activities before tax		**1,390,751**	640,018
Tax on ordinary activities / deferred tax		**76,740**	120,725
Profit /(Loss) on ordinary activities after tax		**1,314,011**	519,293

BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Note	As at Mar-2021 £	As at Mar-2020 £
NON-CURRENT ASSETS			
Deferred tax asset	4	**3,375**	3,375
Debtors	5	**-**	204,000
		3,375	207,375
CURRENT ASSETS			
Debtors	5	**123,884**	808,828
Prepayments	5	**-**	221,486
Intercompany Loan and Interest	5	**1,800,098**	-
Cash at bank and in hand		**300,006**	587,355
		2,223,988	1,617,669
CREDITORS: amounts falling due within one year	6	**-310,662**	-1,018,354
NET CURRENT ASSETS		**1,913,326**	599,315
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,916,701**	806,690
CREDITORS: amounts falling after one year	6	**-2,499,990**	-2,703,990
TOTAL ASSETS LESS LIABILITIES		**-583,289**	-1,897,300
CAPITAL AND RESERVES			
Called up share capital		**22**	22
Profit and loss account		**-583,311**	-1,897,322
SHAREHOLDERS' (DEFICIT) FUNDS		**-583,289**	-1,897,300

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been prepared in accordance with the provisions of Section 1A of FRS 102.

The financial statements of Nth Dimension Limited, registered number 09593983, were approved by the board of directors and authorised for issue as on June 2,2021

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Vivek Agarwal
Director

Vikram Nair
Director

Place: Milton Keynes

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021

	Called up share capital £	Profit and loss account £	Total £
At 01 Apr 2020	22	(1,897,322)	(1,897,300)
Profit for the period	-	1,314,011	1,314,011
At 31 March 2021	22	(583,311)	(583,289)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding period.

General information and basis of accounting

Nth Dimension Limited is a company incorporated in the United Kingdom under the Companies Act.

The company is a private company limited by shares and is registered in England and Wales under company number 09593983. The address of the registered office is given on page 331.

The average monthly number of employees (including executive directors) was 5 (2020: 8).

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102). "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of discounts and value added taxes.

The Company recognises revenue when the significant risks and rewards of ownership are considered to have been transferred to the buyer, the amount of revenue can be measured reliably, and it is probable that future economic benefits will flow to the entity.

Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Revenue in respect of service fee income is recognised on an accruals basis at the rate and term specified in the agreement, considering the certainty of realisation.

All revenue is derived from continuing operations within the United Kingdom.

Interest income

Interest income is recognised using the effective interest rate method.

Going concern

The Board of Directors are of the opinion that company will get future contracts, as the directors are currently pursuing to secure prospective customers. The directors have also received confirmation from its parent company, Tech Mahindra Limited, that it will redeem part of preference shares and remaining portion will be converted into equity when it will be due. Based on these, the financial statements have been prepared on a going concern basis.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior period.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Share Capital

Ordinary shares are classified as equity. Mandatorily redeemable Preference shares are classified as liabilities.

Borrowings

Redeemable Preference shares

Preference shares which are mandatorily reedemable on a specific date are classified as liabilities. The dividends on these shares are taken to Profit and loss acccount as finance expense.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider the critical judgement to relate to the impairment of financial assets, in particular trade receivables. The Company's management reviews periodically items classified as trade receivables to assess whether a provision for impairment should be recorded in the profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty

3. (LOSS) PROFIT BEFORE TAXATION

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
(Loss) profit before taxation is stated after charging:		
Auditor's remuneration for audit related assurance services	6,750	6,460
Foreign currency profit / (losses)	216	(31,428)

4. DEFERRED TAX ASSET

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
At 1 April 2020	3,375	3,375
Deferred tax charged to profit and loss account for the year	-	-
At 31 March 2021	**3,375**	**3,375**

The amounts of deferred tax provided in the accounts are as follows:

	2021 £	2020 £
Temporary timing differences	**3,375**	3,375

5. DEBTORS

	2021 £	2020 £
Due within one year:		
Trade debtors	104,009	798,998
Amounts owed by group undertakings	1,800,098	-
Other debtors	19,875	9,830
Prepayments and accrued income	-	221,486
	1,923,982	**1,030,314**
Due after one year:		
Trade debtors	-	204,000
Prepayments and accrued income	-	-
	-	**204,000**

The financing element of the non-current trade receivables is deemed to be immaterial and consequently no discounting has been applied in determining the carrying value of the non-current trade receivables.

Amounts owed by group undertaking relates to a loan made by the company, during the year, of £1.8m, to one of its fellow subsidiary. This loan is unsecured, repayable by 30th September 2021 and bears an interest rate of LIBOR plus 100 basis onts (1.11% p.a.) per annum. The interest is payable at the end of tenure of the loan and is included in the amount disclosed above.

6. CREDITORS

Amounts falling due within one year:

	2021 £	2020 £
Trade creditors	2,088	15,615
Amounts owed to group undertakings	8,728	435,843
Corporation tax	127,794	306,950
Other taxes and social security	144,650	112,817
Accruals and deferred income	27,402	147,129
	310,662	**1,018,354**

Amounts due after more than one year:

	2021 £	2020 £
Amounts owed to group undertakings	-	204,000
Redeemable preference shares **(Note 7)**	2,499,990	2,499,990
	2,499,990	**2,703,990**

Amounts owed to group undertakings are not secured against any assets. Amounts owed to group undertakings relate to £0 (2020: £ 204,000) for trading activities with the balance due to financing arrangements.

7 PREFERENCE SHARES

On 15 May 2017, the company filed with UK Companies House for allotment of 2,499,990 Preference Shares of £1 each, amounting to £ 2,499,990. The preference shares were issued to Tech Mahindra Limited, holding company. The preference shares were not paid up as on 31st March 2018. The preference shared were fully paid up on 5th July 2018.

The preference shares carry a fixed cumulative cash preferential dividend at annual rate of 3% of the issue price per preference share in issue and to be paid on 31 December. The shares may be redeemed by the Investor, upon serving of Investor Redemption notice to the company, on or after the date of the fifth anniversary of the issue.

8. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption granted to wholly owned subsidiaries not to disclose transactions with other wholly owned group companies under the provisions of Section 33 of FRS 102 “Related Party Disclosures”.

9. CONTINGENT LIABILITY

In March /April 2019, the dismissed employees of the company, have filed a case, of unfair dismissal against the company with the London Central Employment tribunal. They have claimed an amount to the tune of ~ £780,000 from the company towards compensation.

The directors of the company are of the view that the company had valid reasons of dismissal of the employees and as such do not acknowledge the claim as debt. The directors have decided to contest the claims as when the details of the proceedings are received.

Therefore, in the opinion of the directors, no provision is required in the accounts in respect of the amount of claim, legal costs and damages.

10. CONTROLLING PARTY

The immediate parent company and ultimate parent company is Tech Mahindra Limited, a Company incorporated in India. The registered address of Tech Mahindra Limited is Gateway Building, Apollo Bunder, Mumbai – 400 001, India.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tech Mahindra Limited. Copies of the Tech Mahindra Limited consolidated financial statements can be obtained at www.techmahindra.com or from the Company Secretary at Rajiv Gandhi Infotech Park, Phase III, Pune, India

TECH MAHINDRA BUSINESS SERVICES LIMITED

Board of Directors
Mr. Ritesh Idnani
Mr. Sujit Baksi
Mr. Manoj Bhat
Mr. Birendra Sen
Mrs. Suchitra Kerkar (Resigned w.e.f. 30th April, 2021)

Registered Office
Spectrum Towers,
Mindspace Complex,
Off Link Road,
Malad (West), Mumbai- 400 064

Bankers
Kotak Mahindra Bank Limited
HSBC Bank Limited
Bank of Ireland

Statutory Auditors
B S R & Co. LLP
Chartered Accountants

BOARD'S REPORT

Your Directors present their Sixteenth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2021.

FINANCIAL SUMMARY / RESULTS

Amount in ₹

For the year ended	March 31st 2021	March 31st 2020
Income	7,950,037,126	7,823,196,880
Expenditure	5,642,773,615	5,992,488,638
Depreciation	741,584,992	650,112,175
Profit/(Loss) Before Tax & Extra Ordinary items	1,565,678,519	1,180,596,067
Provision for Taxation	357,808,858	78,610,862
Deferred Taxes Charge/ (Credit)	7,650,690	36,625,717
Profit/ (Loss) after Tax	1,200,218,971	1,065,359,487
Profit /(Loss) Carried forward to Balance Sheet	1,200,218,971	1,065,359,487

DIVIDEND

The Board of Directors declared an Interim Dividend @ ₹ 900/- per equity share on the Face Value of ₹ 10/- during the financial year 2020-21. The dividend pay-out was ₹ 900 Mn. Your Directors are of the opinion that the said Interim Dividend be treated as final dividend for the financial year 2020-21.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND

Since there is no unpaid/unclaimed Dividend as on 31st March, 2021, the provisions of Section 125 of the Companies Act, 2013, read with rules framed there under, does not apply.

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company.

BUSINESS OVERVIEW / STATE OF COMPANY'S AFFAIRS

The operational income during the financial year 2020-21 is ₹ 7,855 Mn against the previous year ₹ 7,634 Mn. The profit before tax is ₹ 1,566 Mn against the previous year ₹ 1,181 Mn.

The head count of the Company was 7801 in March 2021 vis a vis 7519 in March 2020.

During the year the Company has earned a mutual fund gain of ₹69 Mn. The Company invests all its surplus funds in debt (Liquid, Liquid Overnight schemes) funds which provide slightly better post tax yield than the traditional FDs or ICDs.

There are no changes in the nature of the business carried out by your Company during the period under review nor there any material changes or commitments affecting the financial position of the Company after the closure of the financial year of the Company and till the date of the subject Board Report.

MERGER SCHEME RELATED UPDATES

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Born Commerce Private Limited (Fellow Subsidiary) with its holding company Tech Mahindra Limited and their respective shareholders under the provisions of Section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal ("NCLT"), Mumbai. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Mumbai ('NCLT') is yet to approve the same, the Scheme is not yet effective.

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial institutions.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS

The members at their meeting held on 12th July, 2018 appointed M/s B S R & Co. LLP, Chartered Accountants, [ICAI Firm Registration No. 101248W/W-100022] as the Statutory Auditors of the Company for the period of five years with effect from

Financial Year 2018-19 i.e. from the conclusion of the thirteen Annual General Meeting held in Financial year 2018-19 till the conclusion of the Annual General Meeting for the Financial Year 2022-23.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2020-21. Further there are no frauds reported by the auditors during the year under review.

The Company has received a certificate from M/s B S R & Co. LLP, Chartered Accountants to the effect that they are eligible in terms of Section 141 of the Companies Act, 2013 to act as statutory auditors of the Company.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 10,000,000/- comprising of 1,000,000 equity shares of Face Value ₹ 10/- each.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the Financial Year ended 31st March, 2021 is uploaded on the website of the Company and can be accessed at https://techmbs.in/about-tech-mahindra-business-services/compliance-and-policies

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to play its role as an enlightened corporate citizen. The CSR vision of the Company is "Empowerment through Education."

Pursuant to the guidelines prescribed under Section 135 of the Companies Act, 2013 your Board has formed a CORPORATE SOCIAL RESPONSIBILITY (CSR) Committee and the CSR Policy as recommended by the CSR Committee was also approved by the Board. The policy is uploaded on the web site of the Company.

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time is forming part of the Board's report as **Annexure 1.**

DIRECTORS

Pursuant to the provisions of Section 152(6)(c) of the Companies Act 2013, Mr. Birendrakumar Sen, Director is liable to retire by rotation and being eligible offers himself for reappointment.

During the year Mr. Mahesh Kulkarni resigned from the post of Company Secretary of the Company on 31st January 2021.

BOARD AND COMMITTEES OF BOARD

The Ministry of Corporate Affairs by its Notification dated 13th July, 2017 amended Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014. The provisions in respect of appointment of independent directors on the board of unlisted wholly owned subsidiary Company are no more applicable.

Also such unlisted wholly owned subsidiary Company need not constitute/have Audit Committee and Nomination & Remuneration Committee of the Board.

The CSR Committee of the Company comprises of following members Mr. Manoj Bhat, Mr. Birendra Sen and Ms. Suchitra Kerkar. During the Financial year 2020-21, 1 (One) meeting of the CSR Committee was held on 22nd April, 2020.

During the Financial Year 2020-21, 5 (five) Board meetings were held on 22.04.2020, 22.07.2020, 19.10.2020, 21.01.2021 and 29.01.2021. The Governance Policies comprising of Policy on Appointment and removal of Directors, Policy on Remuneration to the Directors and other Employees is available on the web site of the Company.

STATEMENT OF COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

Your Directors state that the Company has complied with the applicable Secretarial Standards during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees under Section 186 of the Companies Act, 2013. Investments made are within the limits provided under Section 186.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The particulars of related party transactions in prescribed **Form AOC -2** is annexed herewith as **Annexure 2**.

PARTICULARS OF EMPLOYEES

The information required under Rule 5(2) & of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, pursuant to first proviso to Section 136(1) of the Act, this Report is being sent to the Shareholders excluding the aforesaid information. Any shareholder interested in obtaining said information, may write to the Company Secretary at the Registered Office / Corporate Office of the Company and the said information is open for inspection at the Registered Office of the Company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report given by Mr. Yogesh Kandalgaonkar, Practising Company Secretary, Pune is annexed with the Board's Report as **Annexure 3**. The Secretarial Audit report is unqualified and without any reservation or adverse remark.

COST RECORDS AND AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

RISK MANAGEMENT POLICY

The Company believes that it operates in a business environment that is characterized by increasing globalization of markets, intensifying competition and is exposed to multiple risks in the ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

The Company's risk management objectives are:

- Identify and manage existing and new risks in a planned and coordinated manner with the minimum of disruption and cost.
- Develop a "risk" culture that encourages all staff to identify risks and associated opportunities and to respond to them with effective action plans.

Risk identification refers not only to the systematic identification of risks but also to the identification of their root causes & impact. It is a continuous process for existing as well as new risks emerging out of evolving business dynamics.

The Company follows a process of identifying any risks and communicates the same to the Risk Management Oversight Committee (RMOC) through Risk Managers for monitoring.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has an adequate system of internal controls commensurate with its size and the nature of its business. It ensures that transactions are authorized, recorded, and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and disposition.

The internal control system is supplemented by well documented policies, guidelines and procedures. The Purpose of the internal audit is to provide independent and objective reviews on a continuous basis with assessments of the policies, business activities, operations, systems and controls followed within the Company to add value, improve processes and assist the organisation to achieve its goals and objectives. The Internal audit scope is prepared in accordance with the internal policy and processes as well as external regulatory and other compliances.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

HUMAN RESOURCE MANAGEMENT

Employees are the core of our business and are our most valuable assets. Our Focus is to deliver Fantastic People Experience for all our employees. We are proud winners of three consecutive wins of the Gallup Great Workplace Awards. We are amongst the Top 40 organizations worldwide to be recognized for our cutting-edge Best People Practices.

We have successfully sustained and enhanced our organization's culture through employee initiatives such as Employee Assistance Program, Helping Hands, Diversity and Inclusive program, Gift a Leave, Fun Days, Celebration of Festivals, Focus on Development, Employee Growth Initiatives, Employee Surveys, monthly performance management incentives for advisors and contemporary learning and development initiatives. During 2020 we have taken several initiatives like Flexible Working, Reimbursement of Internet Allowance, Antigen Testing, Online Champaign to increase awareness on Covid 19, myths and precautions etc. and kept employee wellness as out top most priority.

During the year we have hired around 2778 employees, with around 99.96% sourced through internal channels, this having a very positive impact of an overall reduction in recruitment costs. Through our multipronged people management strategy we have been able to nurture talent and have created opportunities for both personal and professional growth across the organization and the group for our employees.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act; 2013.All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Conservation of Energy & Technology Absorption

The Company being in the service industry, the rules pertaining to conservation of energy does not apply to the Company. The Company is constantly acquiring new hardware and software solutions and upgrading its existing hardware and software to provide more and better services to its customers.

2. Foreign Exchange earnings and outgo

The foreign exchange earnings of your Company during the year were ₹ 7,855 Mn. (Previous Year - ₹7,634 Mn.) while the outgoings were ₹ 506 Mn. (Previous Year - ₹ 650 Mn).

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, STPI, Excise authorities and other regulatory and governmental authorities in India and abroad and its shareholders.

For and on behalf of the Board of Directors

Birendra Sen
Director

Suchitra Kerkar
Director

Place: Mumbai
Date: April 19th, 2021

ANNEXURE 1

Format For The Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company.

   The CSR vision of Tech Mahindra Business Services Limited (TMBSL) is aligned to the CSR vision of its holding Company, Tech Mahindra Limited (TML), which is "Empowerment through Education." Currently the CSR focus area for TMBSL is promotion of Education. Within this broad theme specific areas such as school education, education for employment, and higher education are included.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Manoj Bhat	Director	1	1
2	Birendra Sen	Director	1	1
3	Suchitra Kerkar	Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. https://www.techmbs.in/pdf/compliance-and-policies/csr-policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2017-18	Nil	Nil
2	2018-19	Nil	Nil
3	2019-20	Nil	Nil
Total		**Nil**	**Nil**

6. Average net profit of the company as per section 135(5). ₹ 1,080,352,490

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 21,607,050

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. ₹ Nil

   (c) Amount required to be set off for the financial year, if any ₹ Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 21,607,050

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
FY 2020-21	Amount in ₹	Date of transfer.	Name of the Fund	Amount in ₹	Date of transfer.
21,607,044	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in ₹).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
1.	NA	NA	NA	NA	NA	Nil	NA	NA	NA
	Total					**Nil**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Project duration.**	**Amount allocated for the project (in ₹.).**	**Amount spent in the current financial Year (in ₹.).**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹.).**	**Mode of Implementation - Direct (Yes/ No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**						**Name.**	**CSR registration number.**
1.	Faith Foundation	Special Education & Employment enhancing	Yes	Maharashtra	Mumbai	12 months	31,35,190	31,35,190	-	No	TMF	CSR00001814
2.	Navjeevan Lokvikas Sanstha		Yes	Maharashtra	Mumbai	12 months	28,40,095	28,40,095	-	No	TMF	CSR00001814
3.	New Resolution India- Kandivili		Yes	Maharashtra	Mumbai	12 months	22,92,522	22,92,522	-	No	TMF	CSR00001814
4.	Sahyani		Yes	Maharashtra	Mumbai	12 months	25,37,420	25,37,420	-	No	TMF	CSR00001814
5.	Shield Foundation		Yes	Maharashtra	Mumbai	12 months	26,41,822	26,41,822	-	No	TMF	CSR00001814
6.	Helen Keller Institute for Deaf and Deaf-Blind		Yes	Maharashtra	Mumbai	12 months	23,97,328	23,97,328	-	No	TMF	CSR00001814
7.	Faith Foundation		Yes	Maharashtra	Mumbai	12 months	30,21,756	30,21,756	-	No	TMF	CSR00001814
8.	Utkarsh Mandal	Promoting Education	Yes	Maharashtra	Mumbai	12 months	2,75,000	2,75,000	-	No	TMF	CSR00001814
9.	Navnirmiti		Yes	Maharashtra	Mumbai	12 months	2,58,697	2,58,697	-	No	TMF	CSR00001814
10.	URMEE		Yes	Maharashtra	Pune	12 months	22,07,214	22,07,214	-	No	TMF	CSR00001814
	Total						**21,607,044**	**21,607,044**	**-**			

(d) Amount spent in Administrative Overheads ₹ Nil

(e) Amount spent on Impact Assessment, if applicable ₹ Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 21,607,044

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ .)
(i)	Two percent of average net profit of the company as per section 135(5)	21,607,044
(ii)	Total amount spent for the Financial Year	21,607,044
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹.)	Amount spent in the reporting Financial Year (in ₹.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹.)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2017-18	Nil	Nil	NA	Nil	NA	Nil
2.	2018-19	Nil	Nil	NA	Nil	NA	Nil
3.	2019-20	Nil	Nil	NA	Nil	NA	Nil
	Total	**Nil**	**Nil**		**Nil**		**Nil**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in ₹).**	**Amount spent on the project in the reporting Financial Year (in ₹).**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed /Ongoing.**
1	NA	NA	NA	NA	Nil	Nil	Nil	NA
	Total				**Nil**	**Nil**	**Nil**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). :No

(b) Amount of CSR spent for creation or acquisition of capital asset. : Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. :Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). :Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Not Applicable

For and on behalf of the Board of Directors

Birendra Sen
Director

Suchitra Kerkar
Director

Place: Mumbai

Date: April 19th, 2021

ANNEXURE 2

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts/arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

		Transaction No 1	Transaction No 2	Transaction No 3
(a)	Name(s) of the related party and nature of relationship :	Tech Mahindra Limited (Holding Company)	Tech Mahindra Foundation (Fellow Subsidiary Company)	Mahindra Engineering & Chemical Products Ltd (Fellow Subsidiary Company)
(b)	Nature of contracts/arrangements/ transactions	Reimbursement of Costs/ Revenue billings/ ESOP / Dividend/ Asset	CSR Contribution	Expenses
(c)	Duration of the contracts / arrangements/transactions	April 20 - March 21	April 20 - March 21	April 20 - March 21
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of Costs - TML to TMBS - ₹265 Mn - TMBS to TML - ₹172 Mn - Revenue billings TMBS to TML/ TMGmbH - ₹484 Mn - ESOP TML to TMBS ₹ 15 Mn - Software Licence ₹ 1Mn - Interim Dividend TMBS to TML ₹900 Mn	CSR Contribution – ₹22 Mn as per Companies Act, 2013	Staff welfare Expenses – ₹ 93 Mn
(e)	Date(s) of approval by the Board, if any:	22 April 2020	22 April 2020	22 April 2020
(f)	Amount paid as advances, if any:	Nil	Nil	Nil

For and on behalf of the Board of Directors

Birendra Sen
Director

Suchitra Kerkar
Director

Place: Mumbai

Date: April 19th, 2021

ANNEXURE 3

Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tech Mahindra Business Services Limited
Spectrum Towers, Mindspace Complex,
Off Link Road, Malad (West),
Mumbai 400064.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tech Mahindra Business Services Limited (CIN: U72900MH2006PLC159149)**, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2021** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (Not applicable to the Company during the audit period);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (The Company is an Unlisted Company and the shares of the Company are not in dematerialized form therefore provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable to the Company during the audit period);

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the audit period as the Company is an unlisted Company:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) As informed to me, the Company has complied with the following laws applicable specifically to the Company during the audit period:

(a) the Information Technology Act, 2000;

(b) the Indian Telegraph Act, 1885.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not applicable to the Company during the audit period as the Company is an unlisted Company.)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, (one board meeting conducted at a shorter notice, for which all the directors consented unanimously), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meeting were carried out unanimously as recorded in the minutes of the respective meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period –

a. In accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on 29th January 2021 approved the Scheme for Merger by Absorption of the Company (the “Transferor Company”) with its holding Company, Tech Mahindra Limited (“the Transferee Company”) and their respective Shareholders with Appointed Date as 1st April, 2021 subject to the approvals of Hon’ble National Company Law Tribunal (“NCLT”) Mumbai. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C.P. No. 20316
Unique Document Identification Number
(UDIN): F006197C000124865

Place: Pune
Date: April 19th, 2021

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure

To,
The Members,
Tech Mahindra Business Services Limited
Spectrum Towers, Mindspace Complex,
Off Link Road, Malad (West),
Mumbai 400064.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C.P. No. 20316
Unique Document Identification Number
(UDIN): F006197C000124865

Place: Pune
Date: April 19th, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Tech Mahindra Business Services Limited

Report on the Audit of the Financial Statements Opinion

Opinion

We have audited the financial statements of Tech Mahindra Business Services Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditors report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 and Board of Directors' Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

    (A) 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 it 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 the statement of cash flows dealt with by this Report are in agreement with the books of account.

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

    e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 23 to the financial statements;

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 21215165AAAAAZ4119

Place: Pune
Date: April 19, 2021

Annexure A to the Independent Auditors' report on the financial statements of Tech Mahindra Business Services Limited for the period ended 31 March 2021

With reference to the Annexure referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed during such verification.

(c) According to the information and explanations given to us and on the basis of verification of records of the Company, the Company does not hold any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company is a service company, primarily rendering call centre services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186, in respect of loans, investments, guarantees or security, as applicable.

(v) The Company has not accepted any deposits from the public in accordance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Services Tax, Customs Duty, Income Tax and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Services Tax, Customs Duty, Income Tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable, except for the following:

Name of statute	**Nature of dues**	**Amount (₹ In Million)**	**Period to which the amount relates**	**Date of payment**
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employer and employee contribution to Provident fund	0.54	July 2017 to September 2020	Not paid

(b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Service Tax, Sales Tax, Value Added and Customs Duty Tax which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of statute	Nature of dues	Forum where dispute is pending	Amount unpaid (₹ In Million)	Period to which the amount relates
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	237	A.Y. 2009-10
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	377	A.Y. 2010-11
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	129	A.Y. 2011-12
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	17	A.Y. 2016-17
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	11	A.Y. 2017-18
Finance Act, 1994	Service tax	Commissioner of Service Tax	108*	F.Y. 2007-08 to 2017-18

* excluding interest but includes penalties

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

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For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 20215165AAAAAN3623

Place: Pune
Date: April 19, 2021

Annexure B to the Independent Auditors' report on the financial statements of Tech Mahindra Business Services Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Tech Mahindra Business Services Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner
Membership No. 215165
UDIN: 20215165AAAAAN3623

Place: Pune
Date: April 19, 2021

BALANCE SHEET AS AT MARCH 31, 2021

₹ in Million

Particulars		Note No	As at March 31, 2021	As at March 31, 2020
I	**ASSETS**			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	3	**704**	450
	(b) Right-of-Use of asset	4	**630**	1,096
	(c) Capital Work-In-Progress		**19**	0
	(d) Intangible Assets	5	**47**	67
	(e) Financial Assets			
	(i) Investments	6	**143**	149
	(f) Advance Income Taxes (Net of Provisions)		**1,421**	1,311
	(g) Deferred Tax Assets (net)	7	**196**	174
	(h) Other Non-current Assets	8	**629**	757
	Total Non-Current Assets		**3,789**	4,004
2	**Current Assets**			
	(a) Financial Assets			
	(i) Investments	9	**1,989**	2,067
	(ii) Trade Receivables	10	**1,312**	949
	(iii) Cash and Cash Equivalents	11	**504**	558
	(iv) Other Financial Assets	12	**53**	69
	(b) Other Current Assets	13	**219**	242
	Total Current Assets		**4,077**	3,885
	TOTAL ASSETS		**7,866**	7,889
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	14	**10**	10
	(b) Other Equity	15	**4,228**	4,018
	Total equity		**4,238**	4,028
	LIABILITIES			
1	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Lease Liabilities		**348**	739
	(ii) Other Non-Current Liabilities		**-**	1
	(b) Provisions	16	**195**	161
	Total Non-Current Liabilities		**543**	901
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(I) Lease Liabilities		**369**	447
	(II) Trade Payables			
	i) Dues of micro and small enterprises		**15**	3
	ii) Dues of trade payables other than micro enterprises and small enterprises		**361**	446
	(III) Other Financial Liabilities	17	**507**	300
	(b) Provisions	18	**483**	447
	(c) Current Tax Liabilities (Net)		**217**	217
	(d) Other Current Liabilities	19	**1,133**	1,100
	Total Current Liabilities		**3,085**	2,960
	TOTAL EQUITY AND LIABILITIES		**7,866**	7,889
See accompanying notes to the financial statements		2 to 37		

As per our report of even date attached

For B S R & Co LLP	**For Tech Mahindra Business Services Limited**	
Chartered Accountants		
Firm Registration No: 101248W/W-100022		
Ashish Gupta	**Birendra Sen**	**Suchitra Kerkar**
Partner	**Director**	**Director**
Membership No : 215165	DIN No: 07956092	DIN No: 07956158
Pune, Dated : April 19, 2021	Mumbai, Dated : April 19, 2021	

TECH MAHINDRA BUSINESS SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS

₹ in Million except earnings per Share

	Particulars		Note No.	For the year ended March 31,2021	For the year ended March 31,2020
I	**Revenue from Operations**			**7,855**	7,634
II	Other Income		20	**95**	189
III	**Total Income (I + II)**			**7,950**	7,823
IV	EXPENSES				
	(a)	Employee Benefit Expense	21	**4,786**	4,665
	(b)	Finance Costs		**62**	64
	(c)	Depreciation and Amortisation Expense	3,3A & 4	**742**	650
	(d)	Other Expenses	22	**794**	1,263
	Total Expenses			**6,384**	6,642
V	**Profit Before Tax (III - IV)**			**1,566**	1,181
VI	**Tax Expense**				
	(1)	Current Tax	33	**393**	354
	(2)	Deferred Tax	34	**8**	37
	(3)	Excess Tax Provision Written Back	33	**(35)**	(276)
	Total Tax Expense			**366**	115
VII	**Profit After Tax (V - VI)**			**1,200**	1,066
VIII	**Other Comprehensive Income**				
A	(i)	Items that will not be reclassified to profit or loss			
		Remeasurements of the defined benefit liabilities		**(10)**	(28)
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		**2**	7
B	(i)	Items that will be reclassified to profit or loss			
		Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**(110)**	(56)
	(ii)	Income tax on items that will be reclassified to profit or loss		**28**	19
	Total Other Comprehensive Income (A + B)			**(90)**	(58)
IX	**Total Comprehensive Income (VII + VIII)**			**1,110**	1,008
	Earnings per Equity Share				
	Basic and Diluted [In ₹.] [Face Value ₹10]		28	**1,200**	1,066
	See accompanying notes to the financial statements		2 to 37		

As per our report of even date attached

For B S R & Co LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No : 215165
Pune, Dated : April 19, 2021

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mumbai, Dated : April 19, 2021

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

₹ in Million

		For the year ended March 31,2021	For the year ended March 31,2020
A.	**Cash flow from Operating Activities:**		
	Profit before tax	**1,566**	1,181
	Adjustments for:		
	Depreciation and Amortisation Expense	**742**	650
	Interest Income	**(12)**	(12)
	Interest Expenses	**62**	64
	Net gain on disposal of Property,Plant and Equipment	**(2)**	(6)
	Unrealised Exchange loss (net)	**38**	33
	Gain on sale of Investments (net)	**(69)**	(100)
	Operating profit before working capital changes	**2,325**	1,810
	Changes in working capital:		
	Trade Receivables and Other Assets	**(171)**	984
	Trade Payables,Other Liabilities and Provisions	**23**	542
	Cash generated from operations	**2,177**	3,336
	Income taxes paid	**(468)**	(407)
	Net cash flow from / (used in) operating activities (A)	**1,709**	2,929
B.	**Cash flow from Investing activities:**		
	Purchase of Property, plant and Equipment and Intangible assets (Including Capital Work-in-progress)	**(541)**	(379)
	Disposal of ROU Assets	**66**	
	Purchase of Mutual Funds	**(7,179)**	(8,454)
	Proceeds from sale of Mutual Funds	**7,322**	7,542
	Proceeds from other investments	**5**	-
	Proceeds from Sale of Property, Plant and Equipment	**2**	6
	Net cash flow (used in) / from investing activities (B)	**(325)**	(1,285)
C.	**Cash flow from financing activities:**		
	Repayment of Lease Liabilities	**(469)**	(391)
	Interest Payment on Lease Liabilities	**(62)**	(64)
	Dividend Paid	**(900)**	(600)
	Dividend Distribution tax	**-**	(123)
	Net cash flow used in financing activities (C)	**(1,431)**	(1,178)
D.	**Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)**	**(47)**	466
E.	**Effect of exchange rate changes on Cash and Cash Equivalents**	**(7)**	7
F.	**Cash and Cash Equivalents at beginning of the year**	**558**	85
G.	**Cash and Cash Equivalents at end of the year (D+E+F)**	**504**	558
	Cash and Cash Equivalents comprises of		
	Cash in hand	**0**	0
	Balances with Banks:		
	- Current Accounts	**503**	548
	- Deposit Accounts	**1**	10
	Cash and Cash Equivalents as per Balance Sheet (refer note 11)	**504**	558

As per our report of even date attached

For B S R & Co LLP	**For Tech Mahindra Business Services Limited**	
Chartered Accountants		
Firm Registration No: 101248W/W-100022		
Ashish Gupta	**Birendra Sen**	**Suchitra Kerkar**
Partner	**Director**	**Director**
Membership No : 215165	DIN No: 07956092	DIN No: 07956158
Pune, Dated : April 19, 2021	Mumbai, Dated : April 19, 2021	

TECH MAHINDRA BUSINESS SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

Particulars	Number of Shares	Equity Share Capital ₹ in Million
Balance at April 1, 2020	**1,000,000**	**10**
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	**1,000,000**	**10**
Balance at April 1, 2019	**1,000,000**	**10**
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	**1,000,000**	**10**

b. Other Equity

₹ in Million

Particulars	Reserves & Surplus		Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	Retained Earnings	Cash Flow Hedge Reserve	
Balance as of April 1, 2020	**666**	**3,341**	**11**	**4,018**
Profit for the year	-	1,200	-	1,200
Other Comprehensive Income	-	(8)	(82)	(90)
Total Comprehensive income	**-**	**1,192**	**(82)**	**1,110**
Interim Dividend	-	(900)	-	(900)
Balance at March 31, 2021	**666**	**3,633**	**(71)**	**4,228**
Balance as of April 1, 2019	666	3,093	48	3,807
Transition impact of Ind AS 116	-	(99)	-	(99)
Deferred tax asset on transition impact of Ind AS 116	-	25	-	25
Restated Balance as at April 1, 2019	**666**	**3,019**	**48**	**3,733**
Profit for the year	-	1,066	-	1,066
Other Comprehensive Income	-	(21)	(37)	(58)
Total Comprehensive income	**-**	**1,045**	**(37)**	**1,008**
Interim Dividend	-	(600)	-	(600)
Tax on Dividend	-	(123)	-	(123)
Balance at March 31, 2020	**666**	**3,341**	**11**	**4,018**

A description of the purposes of each reserve within equity:

1. Capital Redemption Reserve pertains to nominal value of Redeemable Non Convertible preference shares redeemed out of profits. The nominal value of shares was transferred to Capital Redemption Reserves.
2. Retained Earnings- This represents the undistributed profits of the Company accumulated at the year end.
3. Cash Flow Hedge Reserve pertains to the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge recognised in other comprehensive income.
4. The Board of Directors at their board meeting held on January 21, 2021 approved the interim dividend of ₹ 900 per equity share, which was paid on January 25, 2021 amounting to ₹900 million (March 31, 2020 ₹600 million) of which tax was deducted amounting to TDS of ₹68 million as per the provisions of section 194 of the Income Tax Act, 1961 (Dividend Distribution Tax March 31, 2020 ₹123 million).

As per our report of even date attached

For B S R & Co LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

For Tech Mahindra Business Services Limited

Ashish Gupta
Partner
Membership No : 215165
Pune, Dated : April 19, 2021

Birendra Sen
Director
DIN No: 07956092

Suchitra Kerkar
Director
DIN No: 07956158

Mumbai, Dated : April 19, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Corporate Information:

Tech Mahindra Business Services Limited (the 'Company') head quartered in Mumbai, Maharashtra, India provides voice based call centre services to 'Hutchison 3G UK Limited', 'TPG Telecom Limited' (formerly known as Vodafone Hutchison Australia Pty Limited), 'Hutchison 3G Ireland Limited' and Tech Mahindra Limited.

The Company was converted from a Private Limited Company to a Public Limited Company with effect from December 27, 2012 and the name has been changed from Hutchison Global Services Limited to Tech Mahindra Business Services Limited with effect from July 13, 2013.The Company is now a 100% subsidiary of Tech Mahindra Limited. Also refer note 36 on scheme of merger.

2. Significant accounting policies:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Companies Act, 2013.

Details of the Company's accounting policies are included in paragraph 2.

These financial statements were authorised and issued on April 19, 2021.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on their value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financials statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 inputs are not based on observable market data (unobservable inputs) Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 2.12.

ii) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.14.

iii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. 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 policy for the same has been explained under Note 2.10.

iv) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment, including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer note 2.5 for detailed accounting policies on leases.

2.4 Property, Plant & Equipment and Other Intangible Assets:

Property, plant & equipment and other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes

a) material cost, freight, installation cost, non-refundable duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

b) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life that has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Equipments	3 to 4 years
Computer Hardware	4 years
Office Equipment	3 to 4 years
Furniture and Fixtures	3 to 6 years
Vehicles	4 years
Leasehold Improvements	Lower of lease period or expected occupancy.

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Project specific intangible assets are amortized over their estimated useful lives on a straight line basis or over the period of the license/project period, whichever is lower.

2.5 Leases:

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

Company as a lessee:

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

i. The contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

ii. The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period; and

iii. The Company has the right of direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

   a) The Company has the right to operate the asset; or

   b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost at inception which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjustment for certain remeasurement of the lease liability. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments included in the measurement of lease liability fixed payments, including in-substance fixed payments, amounts expected to be paid under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise and penalties for early termination of a lease unless the Company is certain not to terminate early. The lease liability is measured at amortised cost using the effective interest method. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application. The Company has elected relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review and excluded initial direct costs from measuring the right of use asset at the date of initial application. The Company has used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate at the date of initial application. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹ 981 million and a corresponding lease liability of ₹ 1,055 million has been recognized. The cumulative effect on transition in retained earnings net off taxes is ₹ 74 million. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 6.96% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to, to discounting of the lease liabilities as per the requirement of Ind AS 116.

Lease Modification

For lease modifications, the Company has adopted practical expedient given in the amendments to IND AS 116, notified by Ministry of Corporate Affairs on 24 July 2020.

2.6 Impairment of Assets:

i) Financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default

events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience adjusted for forward looking information.

For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

ii) Non-financial assets

The Company assesses long-lived assets such as property, plant, equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples.

If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

2.7 Revenue recognition:

Revenue from information technology and business process outsourcing services include revenue earned from services rendered on ‘time and material’ basis and time bound fixed price engagements.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

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

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight□line basis over the specified period unless some other method better represents the manner in which services are performed.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability arises when there is Company’s obligation to transfer goods or services to a customer for which the entity has received consideration (“Advances from Customer”) or the amount is due from the customer (“Unearned Revenue”).

Disaggregation of revenue is reported under segment reporting.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortised over the tenure of the contract.

Dividend income is recognized when the Company’s right to receive dividend is established. Interest income is recognized using effective interest rate method.

2.8 Foreign currency transactions:

The functional currency of the Company is Indian Rupees (₹).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit or loss.

2.9 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized to profit or loss.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses on remeasurement recognized in profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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.

ii) Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109 Financial Instruments.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit or Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in hedging reserve is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.10 Employee Benefits:

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the balance sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognised in profit or loss in the period of a plan amendment.

ii) Provident Fund:

The eligible employees of the Company are entitled to receive the benefits of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

iii) Superannuation and ESIC:

Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the statement of profit and loss on accrual basis.

iv) Compensated absences:

The Company provides for compensated absences subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized based on the actuarial valuation as at the balance sheet date.

Actuarial gains and losses are recognised in full in in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

2.11 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized 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 income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.13 Earnings per Share:

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.14 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements.

2.15 Recent Pronouncement :

The Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There are no such notifications that are applicable for the Company from FY 2020-21 onwards.

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to

a) Change in existing presentation requirements items in Balance sheet, for eg. lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital.

b) Additional disclosure requirements in specified formats, for eg. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same.

Note 3: Property, Plant and Equipment

₹ in Million

Description of Assets	Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2020	279	1,346	94	243	247	3	2,212
Additions for the year	7	526	17	0	4	1	555
Deletion for the year	(4)	(21)	(7)	(8)	(2)	-	(42)
Balance as at March 31, 2021	**282**	**1,851**	**104**	**235**	**249**	**4**	**2,725**
II. Accumulated depreciation							
Balance as at April 1, 2020	243	1,094	76	135	211	3	1,762
Depreciation for the year	15	221	22	27	16	0	301
On deletion	(4)	(21)	(7)	(8)	(2)	-	(42)
Balance as at March 31, 2021	**254**	**1,294**	**91**	**154**	**225**	**3**	**2,021**
Net Block as on March 31, 2021	**28**	**557**	**13**	**81**	**24**	**1**	**704**

₹ in Million

Description of Assets	Plant and Equipment	Computers	Office Equipment	Furniture and Fixtures	Leasehold Improvement	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2019	266	1,199	93	191	267	10	2,026
Additions for the year	24	147	5	60	27	1	264
Deletion for the year	(11)	(0)	(4)	(8)	(5)	(8)	(36)
Transferred to ROU asset	-	-	-	-	(42)	-	(42)
Balance as at March 31, 2020	**279**	**1,346**	**94**	**243**	**247**	**3**	**2,212**
II. Accumulated depreciation							
Balance as at April 1, 2019	237	947	69	116	209	10	1,588
Depreciation for the year	17	147	11	27	10	1	213
On deletion	(11)	(0)	(4)	(8)	(5)	(8)	(36)
Transferred to ROU asset	-	-	-	-	(3)	-	(3)
Balance as at March 31, 2020	**243**	**1,094**	**76**	**135**	**211**	**3**	**1,762**
Net Block as on March 31, 2020	**36**	**252**	**18**	**108**	**36**	**-**	**450**

Note 4 : Right- of Use of Asset

₹ in Million

Description of Assets	Right-of-use of Asset
I. Gross Block	
Balance as at April 1, 2020	1,431
Additions for the year	-
Deletion for the year	(122)
Balance as at March 31, 2021	**1,309**
II. Accumulated depreciation	
Balance as at April 1, 2020	335
Depreciation for the year	408
On deletion	(64)
Balance as at March 31, 2021	**679**
Net Block as on March 31, 2021	**630**

₹ in Million

Description of Assets	Right-of-use of Asset
I. Gross Block	
Balance as at April 1, 2019	981
Additions for the year	482
Deletion for the year	(74)
Transferred from Property Plant & Equipment	42
Balance as at March 31, 2020	**1,431**
II. Accumulated depreciation	
Balance as at April 1, 2019	-
Depreciation for the year	406
On deletion	(74)
Transferred from Property Plant & Equipment	3
Balance as at March 31, 2020	**335**
Net Block as on March 31, 2020	**1,096**

Note 4: Intangible Assets

₹ in Million

Description of Assets	Computer Software
I. Gross Block	
Balance as at April 1, 2020	710
Additions for the year	13
Balance as at March 31, 2021	**723**
II. Accumulated amortisation	
Balance as at April 1, 2020	643
Amortisation for the year	33
Balance as at March 31, 2021	676
Net Block as on March 31, 2021	**47**

₹ in Million

Description of Assets	Computer Software
I. Gross Block	
Balance as at April 1, 2019	694
Additions for the year	16
Deletion for the year	-
Balance as at March 31, 2020	**710**
II. Accumulated amortisation	
Balance as at April 1, 2019	612
Amortisation for the year	31
Deletion	-
Balance as at March 31, 2020	643
Net Block as on March 31, 2020	**67**

Note 6: Other Financial Assets : Non- Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	**143**	149
TOTAL	**143**	149

Note 7: Deferred Tax Assets (Net)

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax arising on account of temporary differences on :		
Property, Plant and Equipment	**67**	79
Leases	**22**	22
Gratuity, Leave Encashment and Bonus	**86**	69
Fair Valuation of Mutual Fund	**(7)**	3
MTM on forward contracts	**28**	1
TOTAL	**196**	174

Note 8: Other Non-Current Assets

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	**7**	1
Deferred Contract Costs	**314**	473
Balances with government authorities	**308**	283
TOTAL	**629**	757

Note 9: Investments : Current

₹ in Million

Particulars	As at			
	March 31, 2021		March 31, 2020	
Investment in Mutual Funds - Unquoted (Carried at fair value through Profit and Loss)	**No of Units**	**₹**	**No of Units**	**₹**
Nippon India Liquid Fund Direct Plan Growth Option-LFAG	199,190	1,002	-	-
Nippon India Overnight Fund - Direct Growth Plan (ONAGG)	-	-	9,297,144	997
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	62,286	21	826,675	264
ICICI Prudential Liquid Fund - Direct Plan - Growth	522,677	158	691,276	203
Mahindra Manulife Liquid Fund- Direct - Growth	533,503	714	394,074	508
Axis Liquid Fund - Direct Growth - CFDG	40,926	94	41,097	90
Investment in Bonds - Quoted (Carried at fair value through Profit and Loss)				
5.25% National Highways Authority of India Bonds	-	-	500	5
TOTAL		**1,989**		2,067

Particulars	₹	₹
Aggregate amount of Quoted investment	-	5
Aggregate amount of Unquoted investment	**1,989**	2,062
Aggregate Market Value of Quoted investment	-	5

Note 10: Trade Receivables : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good -Unsecured (Also refer note 30)	**1,312**	949
Receivables- Credit impaired	**-**	
Less: Allowance for expected credit loss	**-**	-
TOTAL	**1,312**	949

Note 11: Cash and Cash Equivalents

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	**0**	0
Balances with banks		
(i) In Current Account	**503**	548
(ii) In Deposit Account (original maturities less than three months)	**1**	10
TOTAL	**504**	558

Note 12: Other Financial Assets : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	**0**	0
Interest accrued on deposits	**0**	0
Unbilled Revenue	**-**	40
Foreign currency derivative assets	**14**	6
Other Receivables from related party (refer note 30)	**39**	23
TOTAL	**53**	69

Note 13: Other Current Assets

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	**38**	53
Deferred Contract Costs	**175**	172
Balances with government authorities	**-**	3
Other Advances	**6**	14
TOTAL	**219**	242

Note 14: Equity Share Capital

Share Capital	As at			
	March 31, 2021		March 31, 2020	
	Number	₹ Million	Number	₹ Million
Authorised				
67,650,000 (March 31, 2019: 67,650,000) Equity Shares of ₹10 each	**67,650,000**	**677**	67,650,000	677
	67,650,000	**677**	**67,650,000**	**677**
Issued, Subscribed & Paid up				
1,000,000 (March 31, 2020: 1,000,000) Equity Shares of ₹10 each	**1,000,000**	**10**	1,000,000	10
	1,000,000	**10**	**1,000,000**	**10**

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

Equity Shares:

Particulars	As at			
	March 31, 2021		March 31, 2020	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	**1,000,000**	**10,000,000**	1,000,000	10,000,000
Shares issued during the year	**-**	**-**	-	-
Bonus shares issued during the year	**-**	**-**	-	-
Shares outstanding as at end of the year	**1,000,000**	**10,000,000**	1,000,000	10,000,000

b. Rights, Preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by holding Company and its associates

	As at March 31, 2021 ₹ in million	As at March 31, 2020 ₹ in million
Equity Shares :		
Tech Mahindra Limited, the holding company		
999,994 (March 31, 2020: 999,994) Equity shares of ₹10 each fully paid	**10**	10
Tech Mahindra Limited jointly with Vishwanath Kini		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Gautam Shirali		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Bhat		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Manoj Joshi		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Aniruddha Gadre		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Anil Khatri		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0
Tech Mahindra Limited jointly with Anil Khatri		
1 (March 31, 2020: 1) Equity share of ₹10 each fully paid	**0**	0

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity shares	As at March 31, 2021		As at March 31, 2020	
	No.	% holding in the class	No.	% holding in the class
Tech Mahindra Limited, the holding company (including jointly held shares)	**1,000,000**	**100%**	1,000,000	100%
	1,000,000	**100%**	1,000,000	100%

Note 15: Other Equity

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve	**666**	666
Cash Flow Hedge Reserve		
Opening balance	**11**	48
Change in fair value of derivatives (Net)	**(82)**	(37)
Closing Balance	**(71)**	11
Surplus in Statement of Profit and Loss		
Opening Balance	**3,341**	3,093
Less: Transition impact of Ind AS 116	**-**	(99)
Add : Deferred tax asset on transition impact	**-**	25
	3,341	3,019
Add: Transferred from Other Comprehensive Income	**(8)**	(21)
Add: Net Profit for the year	**1,200**	1,066
Less: Dividend	**900**	600
Less: Tax on Dividend	**-**	123
Closing Balance	**3,633**	3,341
TOTAL	**4,228**	4,018

Note 16: Provisions : Non-Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	**155**	133
- Compensated absences	**40**	28
TOTAL	**195**	161

Note 17: Other Financial Liabilities : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Foreign currency Derivative Liabilities	**168**	8
Creditors for capital supplies / services	**60**	14
Accrued wages and salaries	**279**	278
TOTAL	**507**	300

Note 18: Provisions : Current

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity	**59**	53
Compensated absences	**83**	53
Provision for Contingencies	**341**	341
TOTAL	**483**	447

Note 19: Other Current Liabilities

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Liability	**123**	35
Statutory Dues	**92**	109
Advance from Customers	**910**	956
Others	**8**	0
TOTAL	**1,133**	1,100

Note 20: Other Income

₹ in Million

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Interest income		
- Bank Deposits	**0**	0
- Other financial assets	**13**	20
Net Gain on mutual funds carried at FVTPL	**69**	100
Net gain on disposal of Property, Plant and Equipment and Intangible Assets	**2**	6
Foreign Exchange Gain (net)	**-**	62
Miscellaneous Income	**11**	1
TOTAL	**95**	189

Note 21: Employee Benefits Expense

₹ in Million

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Salaries and wages, including bonus	**4,376**	4,208
Contribution to provident and other funds (Refer Note 24(i))	**160**	157
Gratuity (Refer note 24 (ii))	**30**	26
Staff welfare expenses	**220**	274
TOTAL	**4,786**	4,665

Note 22: Other Expenses

₹ in Million

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Power & Fuel	**79**	134
Rent (Refer note 31)	**8**	5
Repairs and maintenance - Machinery	**24**	26
Repairs and maintenance - Others	**230**	194
Insurance charges	**43**	44
Legal and other professional fees	**71**	74
Subcontracting Expenses	**44**	80
Advertisement, Promotion & Selling Expenses	**5**	3
Travelling Expenses	**124**	396
Expenditure on corporate social responsibility (CSR) (Refer Note 30)	**22**	22
Recruitment Expenses	**26**	52
Communication Expenses	**56**	24
Provision for Contingencies	**-**	126
Foreign Exchange Loss	**25**	-
Miscellaneous Expenses	**37**	83
TOTAL	**794**	1,263

23. Capital commitments and Contingent Liabilities

i. Capital commitments

The estimated amount of contracts remaining to be executed on capital account (net of capital advances), and not provided for as at March 31, 2021 ₹ 38 million (March 31, 2020: ₹ 63 million).

ii. Contingent liabilities

Amount in ₹ Million

Sr. No	Nature of dues	Period	Grounds of Dispute	As at March 31, 2021 *	As at March 31, 2020 *
1	Income-tax	A.Y 2009-10	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	498 (261)	498 (261)
2	Income-tax	A.Y 2010-11	Income tax order on account of 1. Transfer Pricing Adjustment 2. Disallowance of deduction under section 10A	285 (188)	285 (188)
3	Income-tax	A.Y 2016-17(**)	Income tax order on account of income adjustment	23 (Nil)	23 (Nil)
4	Service Tax	F.Y 2007-08 to 2012-13	Non-payment of service tax for receiving import services (reverse charge basis) for the period 2007-08 to 2012-13	86(#) (11)	86(#) (11)
5	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against Notice Pay from employees	7 (Nil)	7 (Nil)
6	Service Tax	F.Y 2012-13 to 2017-18	Non-payment of service tax on amount received against non-reversal of Cenvat credit under Rule 6(3) of the Cenvat Credit Rules	26 (Nil)	26 (Nil)

* The figures in bracket indicate demands paid under disputes.

**There are no adjustment/addition been made in the assessment order by the Assessing Officer.

The Assessing Officer has inadvertently erred in computing total income of the Company. Due to incorrect computation of income, a demand has been raised on the Company. The Company has filed petition for rectification u/s 154 of the Income tax Act, 1961 and also filed appeal to the Commissioner of Income tax (Appeals).

excluding interest component.

iii. The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition other than those for which provisions are already recorded in the financials statement.

iv. Bank guarantee outstanding as at March 31, 2021: ₹ 7 million (March 31, 2020 ₹ 7 million)

24. Details of employee benefits as required by the Ind AS 19 – Employee Benefits are as under:

i. **Defined Contribution Plan**

Contribution to Defined Contribution Plans recognized as expenses for the Year ended are as under:

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Employer's Contribution to Provident Fund	**119**	108
Employer's Contribution to Employee's State Insurance	**4**	4

In addition to above mentioned defined contribution plan the Company pays employer contribution in Ireland as per local laws.

ii. **Defined Benefit Plan**

The benefit plan comprises of Gratuity. The Gratuity plan is unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

a) **Changes in the present value of defined benefit obligation**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Defined benefit obligation at the beginning of the period	**186**	156
Interest cost	**12**	10
Current Service Cost	**18**	16
Benefit Paid	**(12)**	(24)
Actuarial (Gain)/ loss arising from changes in demographic assumptions	**0**	0
Actuarial (Gain)/ loss arising from changes in financial assumptions	**8**	5
Actuarial (Gain)/ loss arising from experience adjustments	**2**	23
Projected benefit obligation, at the year ended	**214**	186

b) **Components of expenses recognized in the Statement of Profit and Loss:**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Interest cost	**12**	10
Service cost	**18**	16
Total	**30**	26

c) **Components of expenses recognized in other comprehensive income**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Actuarial (Gain)/ loss arising from changes in demographic assumptions		0
Actuarial (Gain)/ loss arising from changes in financial assumptions	**8**	5
Actuarial (Gain)/ loss arising from experience adjustments	**2**	23
Total	**10**	28

d) **Actuarial Assumptions**

Particulars	As at	
	March 31, 2021	March 31, 2020
Discount Rate (per annum)	**5.4%**	6.3%
Salary Escalation Rate (per annum)	**7%**	7%
Attrition Rate	**0% to 58%**	0% to 58%
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult**	Indian Assured Lives Mortality (2006-08) Ult

The estimates of future salary escalations considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

e) The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.50%, the defined benefit obligations would decrease by 5 million (increase by 5 million) as of March 31, 2021

If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligations would increase by 5 million (decrease by 5 million) as of March 31, 2021.

f) **Expected benefit payments for the year ended**

Amount in ₹ Million

March 31, 2022	59
March 31, 2023	44
March 31, 2024	34
March 31, 2025	26
March 31, 2026	22
March 31, 2027 to March 31, 2031	93

iii. The Code on Social Security 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent on 28th September 2020 and has been published in the Gazette of India. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour And Employment has issued draft rules under the Code on Social Security, 2020 on 13th November 2020 and invited suggestions. The Company will assess the impact and complete the evaluation once the rules are notified and will provide a disclosure of the impact in its financial statements in the period in which, the Code becomes effective and the related rules are notified.

25. Payment to auditors (net of taxes for which input credit is availed)

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit Fees (including quarterly audits)	**5**	4
For Other services	**0**	2
Total	**5**	6

26. Financial Instruments

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit risk and liquidity risk, which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential effects on the financial performance of the Company. The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions

Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2021 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	1,989	-	-	-	1,989	1,989
Trade Receivables	-	-	-	1,312	1,312	1,312
Cash and Cash equivalents	-	-	-	504	504	504
Other Financial Assets	-	-	14	182	196	196
Total	**1,989**	**-**	**14**	**1,998**	**4,001**	**4,001**
Liabilities:						
Lease Liabilities	-	-	-	717	717	717
Trade Payables	-	-	-	376	376	376
Other Financial liabilities	-	-	168	339	507	507
Total	**-**	**-**	**168**	**1,432**	**1,600**	**1,600**

The carrying value of financial instruments by categories as of March 31, 2020 are as follows:

Amount in ₹ Million

	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised Cost	Total Carrying Value	Total fair Value
Assets:						
Investments	2,067	-	-	-	2,067	2,067
Trade Receivables	-	-	-	949	949	949
Cash and Cash equivalents	-	-	-	558	558	558
Other Financial Assets	-	-	6	212	218	218
Total	**2,067**	**-**	**6**	**1,719**	**3,792**	**3,792**
Liabilities:						
Lease Liabilities	-	-	-	1,186	1,186	1,186
Trade Payables	-	-	-	449	449	449
Other Financial liabilities	-	-	9	1,115	1,124	1,124
Total	**-**	**-**	**9**	**2,750**	**2,759**	**2,759**

Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

Level-1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level-2 – Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level- 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

Amount in ₹ Million

As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Mutual fund/Bond units	1,989	-	-	1,989
Derivative Financial Assets	-	14	-	14
Total	**1,989**	**14**	**-**	**2,003**
Financial Liabilities:				
Derivative Financial liabilities	-	168	-	168
Total	-	**168**	-	**168**

Amount in ₹ Million

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	2,067	-	-	2,067
Derivative Financial Assets	-	6	-	6
Total	**2,067**	**6**	**-**	**2,073**
Financial Liabilities:				
Other Financial Liabilities	-	9	-	9
Total	**-**	**9**	**-**	**9**

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and conditions.

The Company's financial instruments that are subject to credit risk predominantly consist of trade receivables, unbilled revenue, mutual fund investment, forward contracts, cash and cash equivalent and other financial assets.

The Company invests only in debt mutual funds with top mutual funds houses having very good credit rating and having a good Assets under Management.

The credit terms agreed with the customer is 30-45 days and the average collection period of the Company is around 35 days. Over the last 10 years, the Company has never faced any credit default from its customers, it has always received full realization of all its invoices.

The counterparty for the forward contracts booked is normally a bank with a high quality credit rating. The Company books plain vanilla forward contract to protect its exchange rate risk.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 4,001 Million and ₹ 3,792 Million as of March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, and other financial assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on.

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. As on March 31, 2021 and March 31, 2020 expected credit loss provision is ₹ Nil.

Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk and mutual fund price risk.

i. Foreign Currency Exposures

The Company's revenue is denominated in GBP, AUD, NZD, USD and EUR. The majority of the costs are in Indian Rupees. This exposes the company to currency fluctuation. The Company monitors and manages the financial risk relating to its operations by analysing its foreign exchange exposure by the level and extent of currency risks

Amount in ₹ Million

Particulars	Foreign Currency Amount		Indian Rupees Equivalent	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Trade Payable	**USD 0**	USD 0	**27**	7
Trade Payable	**EUR 0**	EUR 0	**8**	15
Trade Payable	**GBP 0**	GBP 0	**30**	26
Trade Payable	**NZD -**	NZD 0	**-**	2
Trade Receivables	**AUD 6**	AUD 6	**328**	278
Trade Receivables	**EUR 1**	EUR 2	**75**	192
Trade Receivables	**GBP 9**	GBP 4	**863**	410
Trade Receivables	**NZD 1**	NZD 1	**36**	68

Forward Exchange / Contracts

The Company's revenue is denominated in GBP, AUD, NZD and EUR. The majority of the costs are in Indian Rupees. This exposes the Company to currency fluctuation.

The Company monitors and manages the financial risk relating to its operations by analysing its foreign exchange exposure by the level and extent of currency risks.

The Company uses derivative financial instruments governed by the policies approved by the Board such as forward to manage and mitigate its foreign currency exposure. The Company has a risk management policy approved and adopted by the Board, which is used to hedge forex fluctuation. The counterparty is generally a bank. The Company can enter into a contract for 1 day to 3 years depending on the nature of forex billing.

The following are outstanding currency exchange forward contracts, which have been designated as cash flow hedges as of:

As at March 31, 2021

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	**6**	**(2)**
EUR / INR	**4**	**(10)**
GBP / INR	**32**	**166**

As at March 31, 2020

Foreign Currency	Amount of contracts (In million)	Fair value (₹ in million) (Gain)/Loss
AUD / INR	6	(2)
EUR / INR	5	2
GBP / INR	8	4

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Credit /(Debit) balance at the beginning of the year	**11**	48
Changes in the fair value of the effective portion of cash flow Hedges	**(110)**	(56)
Tax impact on effective portion of outstanding cash flow hedges	**28**	19
Credit / (Debit) balance at the end of the year	**(71)**	11

Net loss on derivative instruments of ₹ 113 million recognized in Hedging Reserve as at March 31, 2021, is expected to be transferred to the statement of profit and loss by March 31, 2022.

Impact of COVID-19 (Global pandemic)

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.

ii. Interest Rate Risk

The Company’s investment is primarily in Debt Mutual Funds, hence the Company is not significantly exposed to interest rate risk

iii. **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has always generated sufficient cash flows from its operations to meet its financial obligations as and when they fall due.

As at March 31, 2021

Amount in ₹ Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Lease liabilities	369	256	92	-	717
Trade and other payables	376	-	-	-	376
Other financial liabilities	339	-	-	-	339
Total	**1,084**	**256**	**92**	-	**1,432**
Derivative financial liabilities	168	-	-	-	168
Total	**168**	**-**	**-**	**-**	**168**

As at March 31, 2020

Amount in ₹ Million

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Lease liabilities	447	601	138	-	1,186
Trade and other payables	448	-	-	-	448
Other financial liabilities	1,115	-	-	-	1,115
Total	**2,010**	**601**	**138**	-	**2,749**
Derivative financial liabilities	9	-	-	-	9
Total	**9**	**-**	**-**	**-**	**9**

27. Disclosures for Revenue from Contracts with Customers

i. Performance obligations and remaining performance obligations

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, and adjustments for revenue that has not materialized and adjustments for currency

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2021, other than those meeting the exclusion criteria mentioned above, is ₹ 32,152 million. Out of this, the Company expects to recognize revenue of around 22% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessments the occurrence of the same is expected to be remote.

ii. Contract assets and liabilities

The contract assets primarily relate to Company's rights to consideration for work completed but not billed at the reporting date due to contractual terms. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognized from the contract liability amounts as and when services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

Significant changes in the contract liabilities balances during the year ended March 31, 2021 as follows:

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract liabilities:		
Opening Balance	**35**	39
Less: Revenue recognised during the reporting period	**(38)**	(35)
Add: Invoiced during the period but, not recognised as revenues	**126**	35
Add: Transaction loss/ (Gain)	**0**	(4)
Closing Balance	**123**	35

iii. **Contract Price**

The following table provides information in respect of amount of revenue recognized in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contracted transaction for the year ended	**8,051**	7,806
Less: Adjustment for upfront discount and rebate	**(196)**	(172)
Revenue recognized in the statement of profit and loss for the year ended	**7,855**	7,634

28. Earnings Per Share is calculated as follows:

₹ in Million except earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to shareholders	**1,200**	1,066
Equity Shares outstanding as at the end of the period (in nos.)	**1,000,000**	1,000,000
Weighted average Equity Shares outstanding as at the end of the period in nos.)	**1,000,000**	1,000,000
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**1,000,000**	1,000,000
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**1,000,000**	1,000,000
Nominal Value per Equity Share (in ₹)	**10.00**	10.00
Earnings Per Share		
Earnings Per Share (Basic) (in ₹)	**1,200**	1,066
Earnings Per Share (Diluted) (in ₹)	**1,200**	1,066

29. Segment Reporting

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Based on the "management approach" as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented business segments and geographic segments.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker monitors the operating results of the Company's business as single segment.

Business Segment:

The Company is engaged in the business of providing voice based call centre services. As the Company is engaged in only one business segment, the Balance Sheet as at March 31, 2021, Statement of Profit, and Loss for the year ended then pertain to only one business segment.

Geographical Segments:

Amount in ₹ Million

Sr. No	Particulars	Within India	Outside India	Total
1	Segment revenue by location of customers	**23** [5]*	**7,832** [7,629]*	**7,855** [7,634]*
2	Carrying amount of segment asset (Gross)	**6,103** [6,595]*	**1,763** [1,294]*	**7,866** [7,889]*
3	Additions to tangible and intangible assets	**7,866** [7,889]*	**10** [17]*	**568** [762]*

*Figures in bracket refer to amount for the year ended March 31, 2020 for revenue and assets.

During the year ended March 31, 2021, three customers with total revenue of ₹ 7,832 million individually accounted for more than 10% of the revenue. Geographies contributed more than 10% of total revenue are as below:

Amount in ₹ Million

Sr. No	Countries	For the year ended March 31, 2021	For the year ended March 31, 2020
1	United Kingdom	**5,620**	4,778
2	Australia	**1,186**	1,587
3	Ireland	**1,026**	1,163
4	India	**23**	5
5	Rest of World	**-**	101

30. Related Party Disclosures

As required by Ind AS 24 - Related Party Disclosures, following are details of transactions during the year ended March 31, 2021 and outstanding balances as of that date with the related parties of the Company as defined in Ind AS 24:

Names of related parties and nature of relationship:

Name of the Related Party*	Relationship
Tech Mahindra Limited	Holding Company
Mahindra Engineering & Chemical Products Limited	Fellow Subsidiary Company
Tech Mahindra Foundation	Associate Company
Birendra Sen	Director
Suchitra Kerkar	Director
Ritesh Idnani	Director
Manoj Bhat	Director
Sujit Baksi	Director
Mahesh Kulkarni	Company Secretary (Till 31st January 2021)

* We have disclosed only those related parties with whom the Company has transactions during the year.

Related Party transactions for the year ended March 31, 2021:

Amount in ₹ Million

Nature of Transactions	Name of the Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	Tech Mahindra Limited	**482**	585
Revenue	Tech Mahindra GmbH	**2**	-
Subcontract Expenses	Tech Mahindra Limited	**44**	80
Reimbursement of Expenses (Net)-Paid / (Receipt)	Tech Mahindra Limited	**(137)**	(158)
Staff Welfare Expenses	Mahindra Engineering & Chemical Products Limited	**93**	-
Remuneration to Key Management Personnel	Birendra Sen	**14**	15
Remuneration to Key Management Personnel	Suchitra Kerkar	**9**	9
Purchase of Intangible Assets-Software licences	Tech Mahindra Limited	**1**	1
Employee Stock Options granted to the Employees	Tech Mahindra Limited	**15**	11
Dividend Paid	Tech Mahindra Limited	**900**	600
CSR Contribution	Tech Mahindra Foundation (Section 8)	**22**	22

Related Party Balances as at March 31, 2021

Amount in ₹ Million

Balances As on	Name of the Party	As at March 31, 2021	As at March 31, 2020
Trade Payables (Net)	Tech Mahindra Limited	**129**	97
Trade Receivable (Net)	Tech Mahindra Limited	**20**	23
Other Receivable	Tech Mahindra Limited	**39**	151
Contract Liabilities	Tech Mahindra Limited	**26**	6

31. Lease

a) **Amount recognised in statement of Profit and loss account**

Amount in ₹ Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liabilities	**62**	64
Short-term lease expense	**8**	5
Depreciation	**408**	406
Total	**478**	475

b) **Maturity analysis for lease liabilities**

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Minimum Lease Payments		
For 1 Year	**395**	465
For 2 To 5 years	**371**	785
Above five year	**-**	-

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Present Value of Minimum Lease Payments		
For 1 Year	**369**	447
For 2 To 5 years	**348**	739
Above five year	**-**	-

32. Income Tax Expense

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current Tax:		
In respect of current year	**393**	354
In respect of previous years (*)	**(35)**	(276)
Deferred Tax		
In respect of current year	**8**	37
Total Income Tax Expense recognised	**366**	115

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Profit/(Loss) before income taxes	**1,566**	1,181
Enacted tax rates in India	**25.17%**	25.17%
Income tax expense calculated at enacted rate	**394**	297
Effect of expenses that are not deductible in determining taxable profit	**5**	37
Effect of incomes that are not taxable in determining taxable profit	**(2)**	(11)
Ind AS 116 Transition impact	**-**	2
Impact of MTM Gain on derivative accounting	**-**	14
Impact of change in tax rate	**-**	50
Previous year tax provision reversal	**(35)**	(276)
Short / (excess) provision for deferred tax	**4**	2
Income tax expense recognised in profit or loss	**366**	115

The tax rate used for the above reconciliations are the rates as applicable for the respective year ended payable by corporate entities in India on taxable profits under the India tax laws.

(*) During the year ended March 31, 2021, the Company has reversed excess Income tax provision amounting to ₹ 35 million for the assessment years (A.Y.) AY 2012-13, AY 2013-14, AY 2014-15, AY 2015-16, AY 2017-18 and AY 2020-21.

33. The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Amount in ₹ Million

Particulars	**As at March 31, 2021**	**Recognised in Profit and Loss**	**Recognised in OCI**	**As at March 31, 2020**
Depreciation	67	(12)	-	79
Lease	22	-	-	22
Gratuity	54	4	3	47
Bonus	1	-	-	1
Leave Encashment	31	10	-	21
Fair valuation of Mutual funds	(7)	(10)	-	3
MTM on forward contracts	28	-	27	1
Net Deferred Tax Assets	**196**	**(8)**	**30**	**174**

34. Employee share based Payment - Expense for the year:

The fair value of each option granted for the holding Company's stock option is estimated on the date of the grant using the Black- Scholes option pricing model based on valuation report received from the independent third party consultant. Charge on account of Employee share based payment is ₹ 15 million (March 31, 2020: ₹ 11 millions).

35. Compliance with Micro, Small and Medium Enterprises Development Act, 2006

Amount in ₹ Million

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(i) Principal amount due to suppliers under MSMED Act,2006	**15**	3
(ii) Interest accrued and due to supplier on the above amount, unpaid	**-**	-
(iii) Payment made to suppliers (other than Interest) beyond the appointed day during the year / year	**-**	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	**-**	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	**-**	-
(vi) Interest due and payable towards suppliers under MSMED Act for payments already made		
(vi) Interest accrued and remaining unpaid at the end of the year / year to suppliers under MSMED Act	**-**	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified based on information collected by the Management. The auditors have relied upon this.		

36. Proposed Scheme of Merger by Absorption

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Born Commerce Private Limited (Fellow Subsidiary) with its Holding Company i.e. Tech Mahindra Limited and their respective shareholders under the provisions of section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal ("NCLT"), Mumbai. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Mumbai ('NCLT') is yet to approve the same, the Scheme is not yet effective.

Once this Scheme comes into effect, the Company will stand dissolved without winding-up. The entire business and whole of the Undertaking of the Company shall be and stand vested in or be deemed to have been vested in the Holding Company, as a going concern.

37. Previous year figures have been regrouped wherever necessary, to correspond with the current period's classification / disclosure.

As per our report of even date attached	
For B S R & Co LLP	**For Tech Mahindra Business Services Limited**
Chartered Accountants	
Firm Registration No: 101248W/W-100022	

Ashish Gupta	**Birendra Sen**	**Suchitra Kerkar**
Partner	Director	Director
Membership No : 215165	DIN No: 07956092	DIN No: 07956158
Pune, Dated : April 19, 2021	Mumbai, Dated : April 19, 2021	

TECH MAHINDRA SWEDEN AB

Board of Directors
Mr. Kishan Kumar Chuckun
Mr. Gaurav Gupta
Mr. Rajesh Premraj Barwal – from 25th February 2021
Mr. Meenakshi Sundaram Sankaralingam – upto 25th February 2021

Registered Office
Room 501 & 538, Norrtullsgatan 6
113 29 STOCKHOLM

Bankers
Citibank Plc

Auditors
KPMG AB
Box 3018 169 03 SOLNA
Stockholm

BOARD OF DIRECTORS REPORT

The Board of Directors of Tech Mahindra Sweden AB, Stockholm, hereby issue the Annual Report for the financial year April 1, 2020 - March 31, 2021

The annual reports are stated in Swedish Kronor (SEK) and refer to the individual company Tech Mahindra Sweden AB.

Directors

The directors who served during the year were Mr. Kishan Kumar Chuckun, Mr. Gaurav Gupta, Mr. Rajesh Premraj Barwal – from 25th February 2021 and Mr. Meenakshi Sundaram Sankaralingam – upto 25th February 2021, vide Shareholders resolution dated 25th February 2021.

General Information about the business:

The company's business activities focus on providing consulting technology and outsourcing services to all the sectors.

In general, the company renders services to its parent company under Service Provider agreement. This form of transactions implies that the contracts are concluded between the parent company and the end customer. Sweden AB thereby acts as a sub-contractor for the parent company and does not bear any risks. The compensation for such services rendered is based on the reimbursement of cost incurred plus a mark-up.

The company's registered office is in Stockholm, Sweden.

Multi-year comparison*

The amounts in Multi-year comparison are shown in KSEK

Particulars	2020/2021	2019/2020	2018/2019	2017/2018
Net sales	20,193	43,020	62, 649	52, 483
Profit/loss after financial items	1,148	2,452	3, 453	2, 485
Balance sheet total	12,526	11,667	10, 951	7, 607
Equity-assets ratio (%)	67.23	64.55	51.56	39.47

*For definitions of key ratios, please see notes

Terms of ownership

Tech Mahindra Sweden AB, is a wholly owned subsidiary of Tech Mahindra Limited, CIN Number: L64200MH1986PLC041370. The entire share capital of the company is held by Tech Mahindra Limited (www.techmahindra.com), having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001, India.

Tech Mahindra Limited is an international IT company offering development and marketing of software for computer systems and consulting services in global systems integration and adaption of software solutions.

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates and the society to Rise™. We are a USD 5.1 billion (PY: USD 5.2 billion) company with 121,900+ professionals across 90 countries, helping 997 global customers including Fortune 500 companies. Our convergent, digital, design experiences, innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value and experiences to our stakeholders.

We are part of the USD 19.4 Billion Mahindra Group; a global federation of companies divided into 11 business sectors. The Mahindra Group operates in 22 industries, providing insightful and ingenious solutions at a global scale.

Tech Mahindra Limited have also offices in several cities in India, USA, UK, Singapore, Australia, New Zeeland, Germany, Malaysia, Thailand, United Arab Emirates, Indonesia, Belgium and Canada.

Awards

- Tech Mahindra joins the 1.5°C Supply Chain Leaders - Commits to reduce greenhousegas emissions across value chain
- Tech Mahindra Recognized as Supplier Engagement Leader for Environmental Action
- Tech Mahindra Launches ServiceNow Business Unit to Accelerate Digital Transformationfor Customers Globally
- Tech Mahindra Partners with ThoughtSpot to Offer Scalable and AI-Driven Analytics forBusiness Insights
- Tech Mahindra Launches 'CLOUDEFENDER' - A New Cloud-based Attack MitigationService, Powered by Radware
- Tech Mahindra and Celonis Launch Frictionless Contact Center BPO TransformationSolution
- Tech Mahindra opens a new 200 seater delivery and experience center in Gothenburg.

- Tech Mahindra Announces Successful Completion of SOC 2 Type 2 Attestation -
- Reinforces commitment to safeguard customers security, privacy, availability andconfidentiality across all services globally
- Top 15 'IT Services Brand' globally by Brand Finance in 2021.
- Forbes Top 50 Organizations in Blockchain for 2021
- Leader in Gartner Magic Quadrant study on "IT Services for Communication ServiceProviders - 2020" worldwide

  •Leader in Gartner Magic Quadrant study on "Customer Service BPO - 2021" worldwide
- Leader in our ISG Provider Lens™ Quadrant study on 2020 global –Digital BusinessTransformation, Digital Customer Experience
- Leader in our ISG Provider Lens™ Quadrant study on 2020 - Private, Hybrid Cloud, Sales and Service cloud
- Leaders in "Manufacturing Industry Services" ISG Provider Lens study 2020
- Tech Mahindra Leadership in "Next-Gen Private/Hybrid Cloud - Data Center Services and Solutions" ISG Provider Lens Study 2021 – Nordics

Significant events during the financial year:

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue and intangible assets. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established

Changes in equity

2020-21:

Particulars	**Share capital**	**Statutory Fund**	**Non-restricted equity**
Opening amount	50, 000		7,480,909
Profit for the year			890,798
Closing amount	50, 000		8,421,707

Appropriation of profit/loss

Proposed treatment of the company's profit

At the disposal of the general meeting:

profit brought forward	7,480,909
profit for the year	890,798
	8,421,707

The board of directors proposes the following:

to be carried forward	8,421,707
	8,421,707

2019-20:

Particulars	**Share capital**	**Statutory Fund**	**Non-restricted equity**
Opening amount	50, 000		5, 596, 638
Profit for the year			1, 884, 272
Closing amount	0		7, 530, 909

For information about the company's earnings and financial position in other respects, please refer to the income statements, balance sheets and accompanying notes set out below.

On behalf of the Board of Directors

Kishan Kumar Chukun	**Rajesh Premraj Barwal**	**Gaurav Gupta**
Director	Director	Director

Date : June 10, 2021
Place: Stockholm

AUDITOR'S REPORT

To the general meeting of the shareholders of Tech Mahindra Sweden AB, corp. id 559063-4043

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of Tech Mahindra Sweden AB for the financial year 2020-04-01—2021-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Tech Mahindra Sweden AB as of 31 March 2021 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tech Mahindra Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures

are inadequate, to modify our opinion about the annual accounts. 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Tech Mahindra Sweden AB for the financial year 2020-04-01—2021-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the member of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tech Mahindra Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether the member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Criticism

The company has failed several times to perform its obligations to make timely payments of taxes and fees

Stockholm June 21, 2021

KPMG AB

Hans Blom

Authorized Public Accountant

TECH MAHINDRA SWEDEN AB

INCOME STATEMENT

Note		31-March 2021 (SEK)	31-March 2020 (SEK)
	OPERATING INCOME		
1	**Net turnover**	20,193,159	43,020,854
	Other income	-	2,599
	Total income	**20,193,159**	**43,023,453**
	OPERATING EXPENSES		
2,3	**Personnel costs**	17,677,068	39,152,143
5	Depreciation and amortisation	7,283	8,739
	Other operating expenses	1,361,284	1,410,513
	Total operating expenses	**19,045,635**	**40,571,395**
	Operating profit/(loss)	**1,147,524**	**2,452,058**
	Profit/loss from financial items		
	Interest expense to group companies	-	-
	Profit from financial items	-	-
	Profit/(loss) before taxation	**1,147,524**	**2,452,058**
	Tax on profit for the year	256,726	567,786
	Profit/(loss) on ordinary activities	**890,798**	**1,884,272**
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**890,798**	**1,884,272**

BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2021

NOTE	ASSETS	31-March 2021 (SEK)	31-March-2020 (SEK)
	Tangible fixed assets		
5	Equipment,Tools,Fixtures and fittings	4	7,287
	Total tangible fixed assets	**4**	**7,287**
	Current assets		
	Current Receivables		
	Receivable from group companies	3,029,953	2,609,157
	Current asset	18,811	-
	Current tax asset	1,865,127	1,113,266
6	Other receivable	1,186,151	890,167
	Total receivables	**6,100,042**	**4,612,590**
	Cash & cash equivalent	6,426,225	7,047,271
	Total current assets	**12,526,267**	**11,659,861**
	TOTAL ASSETS	**12,526,271**	**11,667,148**

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	31-March 2021	31-March-2020
	Shareholders equity		
	Restricted equity		
4	Share Capital	50,000	50,000
	Total paid-in capital	**50,000**	**50,000**
	Non-restricted equity		
	Profit or loss carried forward	7,480,909	5,596,637
	Profit for the year	890,798	1,884,272
	Total shareholders equity	**8,421,707**	**7,530,909**
	Current liabilities		
	Liabilities to group companies	39,219	78,850
	Accrued expenses & deferred income	4,065,345	4,057,389
	Total current liabilities	**4,104,564**	**4,136,239**
	Total liabilities	**4,104,564**	**4,136,239**
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**12,526,271**	**11,667,148**

NOTES TO ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Annual Accounts Act and general advice from Swedish Accounting Standards Board BFNAR 2012:1 Annual accounts and consolidated accounts.

The policies are unchanged compared with the previous year.

Revenue recognition

Revenue relates to income from sub-contracting activities relating to rendering of IT services on behalf of the Parent Company 'Tech Mahindra Limited'.

Revenue is recognised on the basis of reimbursement of costs incurred plus markup.

Revenue is measured at the fair value of the consideration received or receivable.

Receivables

Receivables are recorded in the amounts at which they are expected to be received.

Other assets, provisions & liabilities

Other assets, provisions & liabilities are recorded at cost of acquisition unless otherwise stated below.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances which are recognised at nominal value.

Tangible Fixed Assets

Tangible Fixed Assets are recorded at cost of acquisition less accumulated depreciation and any write downs.

The assets are depreciated on straight line basis over the estimated useful life apart from land, which is not depreciated.

The useful life is reviewed at every balance sheet date. The useful life of computers and laptops is 3 years.

Other expenses

Other expenses are recognised in the same period as the revenue to which they relate.

Income taxes

Current tax is income tax for the current financial year that refers to the year's taxable earnings.

Current tax is stated at the probable amount according to the tax rates and tax rules applicable on the Balance Sheet date.

Foreign currency translation

Monetary receivables and liabilities in foreign currencies have been restated at the closing rate.

Exchange differences arising on settlement or restatement of monetary items are recognised in the income statement in the financial year in which they occur, either as an operating item or a financial item, on the basis of the underlying business transaction.

Note 2 Number of employees, benefits, loan to employees etc.

	31-Mar-2021	31-Mar-2020
Average number of employees:	14	16
The average number of employees is based on hours worked related to normal working hours paid for by the company.		

Note 3 Personnel costs

Payroll costs	2020/2021	2019/2020
Wages and salaries	10,152,264	24,598,463
Social security tax	3,260,471	8,728,377
Pension costs	2,936,757	3,963,598
Other benefits	1,327,576	1,861,706
Total	**17,677,068**	**39,152,143**

Note 4 Share capital and shareholder information

The share capital in the company at 31 March 2021 consists of the following classes:

Ownership structure

All shares are owned by Tech Mahindra Limited

		Ownership share	Voting share
Tech Mahindra Limited	SEK 50,000	100%	100%
Face value per share	SEK 100		
Total number of shares	500	100%	100%

Note 5 Tangible fixed assets

	2020/2021	2019/2020
Opening cost of acquisition	26,222	26,222
Additions	-	-
Closing accumulated cost of acquisition	26,222	26,222
Opening depreciation	(18935)	(10,196)
Depreciation for the year	(7283)	(8,739)
Closing Accumulated depreciation	(26218)	(18,935)
Balance at 31 March 2021	4	7,287

Note 6 Other receivables

	2020/2021	2019/2020
VAT balances	1,154,784	890,022
Other advances	31,367	144
TOTAL	**1,186,151**	**890,167**

Note 7 Previous year comparatives

Previous year amounts have been reclassified wherever necessary, to conform to current year presentation.

DEFINITIONS OF BUSINESS AND FINANCIAL RATIOS

	2020/2021	2019/2020
Equity-assets ratio	67.23%	64.55%
Adjusted equity as a percentage of the balance sheet total		

Note 8 Related party transactions

Tech Mahindra Limited

	2020/2021	2019/2020
Net turnover	20,193,159	43,020,854
Receivable from group companies	3,029,953	2,609,157
Liabilities to group companies	39,219	78,850

Stockholm
Date: June 10, 2021

Kishan Kumar Chuckun	**Rajesh Premraj Barwal**	**Gaurav Gupta**
Managing Director	Director	Managing Director

Our auditor's report was submitted on,

KPMG AB

Hans Blom

Certified Public Accountant

Date: June 21, 2021

VCUSTOMER PHILIPPINES, INC.

Board of Directors
Mr. Anand Achuthan
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Ms. Jeane R.T Montes

Registered Office
3rd Floor eCommerce Plaza,
Eastwood City Cyberpark, Bagumbayan,
Quezon City Philippines 1110

Bankers
UNION BANK OF THE PHILIPPINES

Auditors
R.G. MANABAT & CO.

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of vCustomer Philippines, Inc. (vCPI) for the year ended March 31, 2021.

Financial Results (PHP):

For the years ended	**March 31, 2021 PHP**	March 31, 2020 PHP
Revenue	**333,410,777**	396,719,029
Profit	**12,847,826**	26,330,390

Review of Operations:

For the fiscal year ended March 31, 2021, vCPI reported revenue amounted to PHP 333,410,777, an decrease of PHP 63,308,252 over the last reporting year ended March 31, 2020. Profit/Loss for the fiscal year ended March 31, 2021 amounted to PHP 12,847,826, 51% decrease over the last reporting year.

Future Plans and Appropriations:

vCPI made a reversal of the Appropriated Retained Earnings of PHP 285,000,000 intended for the expansion projects due to the completion of the said projects. Additional appropriation of PHP 296,000,000 from its current retained earnings as at March 31, 2021 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2021 until 2022. vCPI is expecting engagement of additional account/clients and increase and employee headcount.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Anand Achuthan
President

Lynette De Guzman
Director, Chief Finance Officer

Place:
Date: May 12, 2021

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
vCustomer Philippines, Inc. and a Subsidiary
3rd Floor, eCommerce Plaza, Eastwood Cyberpark
Quezon City , Philippines

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of vCustomer Philippines, Inc. and a Subsidiary (the “Group”), which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes, including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s consolidated financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audits. We remain solely responsible for our audit opinion.

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.

R.G. MANABAT & CO.

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 95177-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
Tax Identification No. 912-365-765
BIR Accreditation No. 08-001987-030-2019
Issued August 7, 2019; valid until August 6, 2022
PTR No. MKT 8533899
Issued January 4, 2021 at Makati City

May 15, 2021
Makati City, Metro Manila

REPORT OF INDEPENDENT AUDITORS

TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING

WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
vCustomer Philippines, Inc. and a Subsidiary
3rd Floor, eCommerce Plaza, Eastwood Cyberpark
Quezon City, Philippines

We have audited the accompanying consolidated financial statements of vCustomer Philippines, Inc. and a Subsidiary (the "Group") as at and for the year ended
March 31, 2021, on which we have rendered our report dated May 15, 2021

In compliance with Revised Securities Regulation Code (SRC) Rule 68, we are stating that the said Group has one (1) stockholder owning more than one hundred (100) shares each

R.G. MANABAT & CO.

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 95177-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
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Issued January 4, 2021 at Makati City

May 15, 2021
Makati City, Metro Manila

VCUSTOMER PHILIPPINES, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents	6, 21	**P622,683,401**	P412,193,780
Trade and other receivables	7, 13, 21	**211,224,546**	155,185,304
Refundable deposits - current portion	11, 21	**568,000**	118,000
Prepaid expenses and other current assets	8	**16,052,960**	21,075,205
Total Current Assets		**850,528,907**	588,572,289
Noncurrent Assets			
Property and equipment - net	9	**200,154,240**	271,415,546
Right-of-use assets - net	17	**300,412,291**	405,788,630
Intangible assets - net	10	**5,930,614**	7,778
Refundable deposits - net of current portion	11, 21, 22	**35,357,223**	40,604,028
Other noncurrent asset	8	**400,934**	17,819,895
Total Noncurrent Assets		**542,255,302**	735,635,877
		P1,392,784,209	P1,324,208,166
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12, 21, 22	**P142,062,330**	P137,225,315
Lease liabilities - current portion	17, 21, 22	**107,301,957**	91,657,165
Income tax payable		**4,710,156**	6,782,230
Total Current Liabilities		**254,074,443**	235,664,710
Noncurrent Liabilities			
Lease liabilities - net of current portion	17, 21, 22	**229,111,734**	345,216,410
Retirement benefits obligation	18	**49,852,901**	28,302,129
Deferred tax liability	20	**495**	68,379
Total Noncurrent Liabilities		**278,965,130**	373,586,918
Total Liabilities	23	**533,039,573**	609,251,628
Equity			
Share capital	14	**9,500,000**	9,500,000
Additional paid-in capital		**156,044**	156,044
Retained earnings		**790,310,239**	659,074,652
Cumulative remeasurement gain on retirement benefits	18	**59,778,353**	46,225,842
Total Equity	23	**859,744,636**	714,956,538
		P1,392,784,209	P1,324,208,166

See Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	**2021**	2020
SERVICE REVENUE	13	**P1,816,521,213**	P1,440,158,143
COST OF SERVICES	15	**1,140,757,270**	884,863,487
GROSS INCOME		**675,763,943**	555,294,656
OPERATING EXPENSES	16	**490,235,796**	391,340,535
INCOME FROM OPERATIONS		**185,528,147**	163,954,121
OTHER INCOME (CHARGES)			
Foreign exchange gain (loss)		**(25,693,163)**	(18,020,024)
Interest expense	17	**(20,389,855)**	(17,699,304)
Interest income	6	**356,974**	386,049
Others	12	**5,081,074**	12,669,644
		(40,644,970)	(22,663,635)
INCOME BEFORE INCOME TAX		**144,883,177**	141,290,486
PROVISION FOR INCOME TAXES	19	**13,647,590**	15,499,643
NET INCOME		**131,235,587**	125,790,843
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement gain (loss) on retirement benefits	18	**13,552,511**	7,450,996
TOTAL COMPREHENSIVE INCOME		**P144,788,098**	P133,241,839

See Notes to the Consolidated Financial Statements.

VCUSTOMER PHILIPPINES, INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	**2021**	2020
SHARE CAPITAL	14	**P9,500,000**	P9,500,000
ADDITIONAL PAID-IN CAPITAL	14	**156,044**	156,044
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year		**655,000,000**	561,000,000
Appropriation for business expansion	14	**785,000,000**	655,000,000
Reversal of appropriation	14	**(655,000,000)**	(561,000,000)
Balance at end of year		**785,000,000**	655,000,000
Unappropriated			
Balance at beginning of year		**4,074,652**	(27,716,191)
Net income during the year		**131,235,587**	125,790,843
Appropriation for business expansion	14	**655,000,000**	(655,000,000)
Reversal of appropriation	14	**(785,000,000)**	561,000,000
Balance at end of year		**5,310,239**	4,074,652
	23	**790,310,239**	659,074,652
CUMULATIVE REMEASUREMENT GAIN ON RETIREMENT BENEFITS			
Item that will not be reclassified subsequently to profit or loss			
Balance at beginning of year		**46,225,842**	38,774,846
Remeasurement gain (loss) during the year	18	**13,552,511**	7,450,996
Balance at end of year	23	**59,778,353**	46,225,842
	23	**P859,744,636**	P714,956,538

See Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	**2021**	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**P144,883,177**	P141,290,486
Adjustments for:			
Depreciation and amortization	9, 10, 15, 16, 17	**232,675,532**	158,218,964
Retirement benefits cost	18	**39,344,014**	27,200,441
Interest expense on lease liabilities	17	**20,389,855**	17,699,304
Write-off of payables	12	**(5,081,074)**	(12,669,644)
Unrealized foreign exchange gain - net		**1,194,047**	(1,368,342)
Interest income	6	**(356,974)**	(386,049)
Operating profit before working capital changes		**433,048,577**	329,985,160
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade and other receivables		**(56,039,242)**	(68,496,674)
Prepaid expenses and other current assets		**5,022,245**	(4,165,594)
Refundable deposits		**4,796,805**	(17,842,833)
Other noncurrent asset		**17,418,961**	(12,408,932)
Increase in trade and other payables		**9,918,089**	57,684,992
Cash generated from operations		**414,165,435**	284,756,119
Income taxes paid		**(15,787,548)**	(13,710,416)
Retirement benefits paid		**(4,240,731)**	(1,252,671)
Interest received	6	**356,974**	386,049
Net cash generated from operating activities		**394,494,130**	270,179,081
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisitions of property and equipment	9	**(55,710,678)**	(283,609,571)
Acquisition of intangible asset	10	**(6,250,045)**	-
CASH FLOWS FROM FINANCING ACTIVITY		**(61,960,723)**	(283,609,571)
Repayment of lease liabilities	17	**(120,849,739)**	(103,467,303)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(1,194,047)**	1,368,342
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**210,489,621**	(115,529,451)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6	**412,193,780**	527,723,231
CASH AND CASH EQUIVALENTSAT END OF YEAR	6	**P622,683,401**	P412,193,780

See Notes to the Consolidated Financial Statements.

1. Reporting Entity

vCustomer Philippines, Inc. (the “Parent Company”) was registered with the Securities and Exchange Commission (SEC) on February 24, 2010. The primary purpose of the Parent Company is to carry on the business of providing services to customers in any part of the world through any and all medium of communication including internet and telephone including management services, solutions to business problems, web designing, customer relations, development/ production of software and software systems, data warehousing, data mining, processing and analysis of software and software systems, consultancy and advisory services in software and software systems, without operating as a public utility; to carry on the business of data processing and analysis including assimilation, sorting, processing and communication of data and graphs, development of computer analysis, software development, data preparation and verification, data analysis, data transmission and computation through the computer or other devices encompassing digital, analog and graphic processes and any other information technology; and, to undertake merchandising and logistics activities in the areas of electronic commerce as well as other forms of commerce and commercial transactions and to undertake the operation and management of e-mail services centers, customer response centers, computer education and training centers for the foregoing operations, loyalty incentive and motivation programs, direct marketing activities, database management, back office support and all internet and web related work.

The Parent Company is a wholly-owned subsidiary of Tech Mahindra Limited

(the “Ultimate Parent”), a corporation organized and existing under the laws of India. The Parent Company’s registered business address is at 3rd Floor, eCommerce Plaza, Eastwood Cyberpark, Quezon City.

The consolidated financial statements include the accounts of the Parent Company and its wholly-owned subsidiary, vCustomer Philippines (Cebu), Inc.

(the “Subsidiary”), which is incorporated in the Philippines (collectively referred to as (the “Group”). The Subsidiary is engaged in the same business as the Parent Company.

2. Basis of Preparation

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Philippine Financial Reporting Standards Council (FRSC), consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations.

Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis of accounting except for retirement benefits obligation which is recognized at the present value of the defined benefits obligation.

Functional and Presentational Currency

These consolidated financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Group operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

Authorization for the Issuance of the Consolidated Financial Statements

The accompanying consolidated financial statements of the Group as of and for the year ended March 31, 2021 was authorized for issue by the Board of Directors (BOD) on May 12, 2021.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group’s accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management have made in the process of applying the entity ‘s accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has determined to be the Philippine Peso.

The Philippine Peso is the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the Group's cost of operation, and in effect, its revenue.

Determination of the Term and Discount Rate of Lease Arrangements

Where the Group is the lessee, management is required to make judgments about whether an arrangement contains a lease, the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Group as lessee, management uses the incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses an approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended

(or not terminated) and, as such, included within lease liabilities.

The Group normally considers in the assessment whether there are significant penalties to terminate, significant remaining value of leasehold improvements and historical lease durations, the costs and business disruption for replacing the leased asset, enforceability of the option, and business and other developments.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control.

Key Sources of Estimation Uncertainties

The following are key estimates concerning the future and other key sources of estimation uncertainty as at end of reporting period that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Impairment of Property and Equipment

The Group assesses at the end of each reporting period whether there is any indication that its property and equipment is impaired. The factors that the Group considers important which could trigger an impairment review include the following:

§ significant underperformance relative to the expected historical or projected future operating results;

§ significant changes in the manner of use of the acquired assets or the strategy for overall business; and

§ significant negative industry or economic trends.

Management assessed that there are no indicators of impairment affecting the noncurrent financial assets as at March 31, 2021 and 2020.

As at March 31, 2021 and 2020, the carrying amount of property and equipment amounted to P200,154,240 and P271,415,546, respectively (see Note 9).

Estimating Retirement Benefits Obligation

The present value of the retirement benefits obligation depends on a number of assumptions that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for retirement benefits include the discount rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits liability. Other key assumptions include future salary, mortality and attrition. Additional information is disclosed in Note 18.

Retirement benefits obligation amounted to P49,852,901 and P28,302,129 as at March 31, 2021 and 2020, respectively (see Note 18).

Provisions and Contingencies

The recognition of provisions on claims requires estimates and judgment regarding the timing and the amount of outflow of resources. Assessment's supported by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.

As at March 31, 2021 and 2020, the Group's provision for probable losses amounted to nil (see Note 11).

4. Adoption of Amendments to Standards and Interpretations

Adoption of Amendments to Standards and Interpretations

The Group has adopted the following new standards and amendments to standards starting April 1, 2020 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new and amendments to standards did not have any significant impact on the Group's consolidated financial statements.

Effective January 1, 2020

- Amendments to References to Conceptual Framework in PFRS Standards sets out amendments to PFRS Standards, their accompanying documents and PFRS practice statements to reflect the issuance of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework). The 2018 Conceptual Framework includes:

  - a new chapter on measurement;
  - guidance on reporting financial performance;
  - improved definitions of an asset and a liability, and guidance supporting these definitions; and
  - clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

  Some standards, their accompanying documents and PFRS practice statements contain references to, or quotations from, the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements adopted by the IASB in 2001 or the Conceptual Framework for Financial Reporting issued in 2010. The amendments update some of those references and quotations so that they refer to the 2018 Conceptual Framework and makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

- Definition of Material (Amendments to PAS 1, Presentation of Financial Statements and PAS 8). The amendments refine the definition of material. The amended definition of material states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify the definition of material and its application by:

  (a) raising the threshold at which information becomes material by replacing the term 'could influence' with 'could reasonably be expected to influence';

  (b) including the concept of 'obscuring information' alongside the concept of 'omitting' and 'misstating' information in the definition;

  (c) clarifying that the users to which the definition refers are the primary users of general-purpose financial statements referred to in the Conceptual Framework;

  (d) clarifying the explanatory paragraphs accompanying the definition; and

  (e) aligning the wording of the definition of material across PFRS and other publications.

The amendments are expected to help entities make better materiality judgements without substantively changing existing requirements.

Standards Issued but Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after April 1, 2020. However, the Group has not early adopted the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's financial statements.

Effective June 1, 2020

- COVID-19-Related Rent Concessions (Amendment to PFRS 16, Leases). The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of

  COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient applies if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before

June 30, 2021; and,

- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Effective January 1, 2022

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16, Property, Plant and Equipment). The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statements of comprehensive income (loss). This disclosure is not required if such proceeds and cost are presented separately in the statements of comprehensive income (loss).

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendment to PAS 37 Provisions, Contingent Liabilities and Contingent Assets). The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprises both incremental costs and an allocation of other direct costs.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.

  - Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to four standards:
  - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to PFRS 9, Financial Instruments). The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
  - Lease Incentives (Amendment to Illustrative Examples accompanying

PFRS 16). The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

Effective January 1, 2023

- Classification of Liabilities as Current or Non-current (Amendments to PAS 1, Presentation of Financial Statements). To promote consistency in application and clarify the requirements on determining whether a liability is current or

non-current, the amendments:

- removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;
- clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarified that settlement of a liability includes transferring a company's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or non-current.

  The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

  Deferral of the local implementation of Amendments to PFRS 10, Consolidated Financial Statements and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 and PAS 28). The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

  The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

  Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on

  January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

5. Significant Accounting Policies

The Group has consistently applied the accounting policies to all years presented in these consolidated financial statements, unless otherwise stated.

Consolidation

The consolidated financial statements incorporate the financial amounts of the Parent Company and its subsidiary. A subsidiary is an entity over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A subsidiary is fully consolidated from the date that control commences until the date that control ceases. All intra-group transactions, balances, income and expenses are eliminated upon consolidation. Unrealized losses on intragroup transactions are eliminated, unless the transaction provides evidence of an impairment of the assets transferred.

The significant accounting policies and practices applied in the preparation of these consolidated financial statements are set forth to facilitate the understanding of data presented in these consolidated financial statements. These policies have been consistently applied to all years presented unless otherwise stated.

Financial Instruments

Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Group transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date that the asset is delivered to or by the Group). At initial recognition, the Group measures its financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated as fair value through profit or loss, includes transaction costs.

After initial recognition, the Group classifies its financial assets as subsequently measured at either i) amortized cost,

ii) fair value through other comprehensive income or iii) fair value through profit or loss on the basis of both:

The Group's business model for managing the financial assets.

The contractual cash flow characteristics of the financial asset.

Subsequent to initial recognition, financial assets are measured as described below. At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at either amortized costs or at fair value through other comprehensive income. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months of expected credit losses.

If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses. The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and ii) 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.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, less any impairment losses.

Financial assets at amortized cost are classified as current assets when the Group expects to realize the asset within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

Cash and cash equivalents, trade and other receivables and refundable deposits are generally included in this category.

Cash includes cash on hand, cash in banks and cash equivalents.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition.

Financial Liabilities

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognized when the Group's obligations specified in the contract expire or are discharged or cancelled.

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

The Group generally classifies all financial liabilities as subsequently measured at amortized cost.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables and lease liabilities are generally included in this category.

Prepaid Expenses and Other Current Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Other current assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Prepaid expenses and other current assets are classified in the statements of financial position as current asset when the cost of services related to the prepaid expenses and other current assets are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- ` any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

At the end of each reporting period, items of property and equipment are measured at cost less any subsequent accumulated depreciation and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of Years
Office equipment	5
Communication equipment	3
Furniture and fixtures	3
Leasehold improvements	3 or lease term, whichever is shorter

Leasehold improvements are amortized over the improvements' useful life of three years or when shorter, the term of the relevant lease.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

At the end of each reporting period, the Group assesses whether there is any indication that any of its property and equipment is impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Intangible Assets

Intangible Asset Acquired Separately

Intangible assets are initially measured at cost. Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and the amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Share Capital

Ordinary shares is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Retained Earnings

Retained earnings and deficit represent accumulated profits and losses earned and incurred by the Group. Retained earnings and deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Employee Benefits

Short-Term Benefits

The Group recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-Employment Benefits

Defined Benefit Plan

The Group classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the consolidated statements of financial position with a charge or credit recognized in OCI in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefits liability or asset.

Defined benefits costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurements.

The Group presents the first two components of defined benefits costs in profit or loss in the line item 'retirement benefits costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefits obligation recognized in the consolidated statements of financial position represents the liability of the Group for its post-employment benefits.

Compensated Leave Credits

The Group's net obligation in respect of accumulated leaves is the amount of future benefit that employees have earned in return for their services in the current and prior periods. This benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Revenue Recognition

The Group identifies each distinct performance obligation to transfer services. The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring the control of services to the customer. The transaction price is the amount of consideration the Group expects to receive under the arrangement. The Group concluded that it is acting as principal for its revenue arrangement.

Sale of Services

The Group provides services assistance to its Parent Group in the ordinary course of business. Such services are recognized as a performance obligation satisfied over time.

Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or increase of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Leases

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

As a Lessee

The Group recognizes a ROU assets and a lease liabilities at the lease commencement date. The ROU assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove or restore the underlying asset or the site on which it is located, less any incentives received.

The ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liabilities are measured at amortized cost using the effective interest method. This are remeasured if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised

in-substance fixed lease payment. When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU assets or is recorded in profit or loss if the carrying amount of the ROU assets has been reduced to zero.

The ROU assets and lease liabilities are presented in the consolidated statements of financial position separately from other assets and liabilities, respectively.

Foreign Currency

Transactions in currencies other than Philippine peso are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated In foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in profit or loss for the year.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities under common control with the reporting enterprises and their key management personnel, directors, or its stockholders. Related parties may be individuals or corporate entities. In considering each possible related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

Income Taxes

Income tax expense recognized in the consolidated statements of comprehensive income of the Group represents the current tax expense and deferred tax expense.

Under the Group’s registration with the PEZA pursuant to the provisions of

R.A. No. 7916, The Special Economic Zone Act of 1995, the Group is subject to 5% final tax on gross income from PEZA-registered activities in lieu of payment of national and local taxes.

Uncertainties related to taxes that are not income taxes are recognized and measured in accordance with PAS 37, Provisions, Contingent Liabilities and Contingent Assets unless they are dealt with specifically in another standard.

If there is uncertainty about an income tax treatment, then the Group considers whether it is probable that a tax authority will accept the Group’s tax treatment included in its tax filing. The underlying assumption in the assessment is that a tax authority will examine all amounts reported and will have full knowledge of all relevant information.

Current Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using 5% of gross income earned from registered activities. For income other than its registered activities, tax rate is 30% or exempt when the activities are included under income tax holiday.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Events After the Reporting Period

The Group identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the consolidated financial statements are authorized for issue. The consolidated financial statements of the Group are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the consolidated notes to financial statements when material.

6. Cash and Cash Equivalents

This account consists of:

	Note	2021	2020
Cash on hand		**P120,000**	P120,000
Cash in banks	21, 22	**25,251,401**	184,463,780
Time deposits	21, 22	**597,312,000**	227,610,000
		P622,683,401	P412,193,780

Interest income on cash in banks and time deposits amounted to P356,974 in 2021 and P386,049 in 2020.

7. Trade and Other Receivables

This account consists of:

	Note	2021	2020
Trade receivables	13, 21, 22	**P193,047,854**	P152,039,122
Advances to employees		**8,277,875**	3,146,182
Advances to suppliers		**4,137,221**	-
Other receivable	13, 21, 22	**5,761,596**	-
		P211,224,546	P155,185,304

Trade receivables have an average credit terms of 60 days.

8. Prepaid Expenses and Other Current Assets

This account consists of:

	2021	2020
Prepaid insurance	**P9,956,308**	P14,782,450
Prepaid management services	**2,405,605**	2,405,605
Others	**3,691,047**	3,887,150
	P16,052,960	P21,075,205

Prepaid insurance pertains to the unamortized payments for the Health Maintenance Organization (HMO) coverage of the Group's employees. As at March 31, 2021, the HMO coverage is until November 30, 2021 and the noncurrent portion amounting to P11,863,007 is presented under "Other noncurrent asset" account in the consolidated statements of financial position.

Prepaid management services pertain to the payments made in advance by the Parent Company to Cloudwave for services such as recording of calls, media storage, multimedia work routing, etc. As at March 31, 2021 and 2020, the noncurrent portion amounting to P400,934 and P3,005,358, respectively, is presented under "Other noncurrent assets" account in the consolidated statements of financial position

Others include payment for the Group's program management services, advance payment for maintenance, advertising, subscription, transportation and travel, and membership fees of the Group..

9. Property and Equipment

The movements in this account are as follows:

2021	Leasehold Improvements	Office Equipment	Communication Equipment	Furniture and Fixtures	Total
Cost					
Balance at beginning of year	P339,934,582	P268,140,221	P129,104,345	P24,625,102	P761,804,250
Additions during the year	497,506	27,830,988	27,382,184	-	55,710,678
Balance at end of year	340,432,088	295,971,209	156,486,529	24,625,102	817,514,928
Accumulated Depreciation					
Balance at beginning of year	189,347,841	174,599,039	102,420,927	24,020,897	490,388,704
Depreciation	58,546,962	48,317,539	19,807,154	300,329	126,971,984
Balance at end of year	247,894,803	222,916,578	122,228,081	24,321,226	617,360,688
Net Carrying Value	P92,537,285	P73,054,631	P34,258,448	P303,876	P200,154,240

2020	Leasehold Improvements	Office Equipment	Communication Equipment	Furniture and Fixtures	Total
Cost					
Balance at beginning of year	P171,581,226	P174,431,905	P112,933,281	P24,248,267	P483,194,679
Additions	173,353,356	93,708,316	16,171,064	376,835	283,609,571
Derecognition	(5,000,000)	-	-	-	(5,000,000)
Balance at end of year	339,934,582	268,140,221	129,104,345	24,625,102	761,804,250
Accumulated Depreciation					
Balance at beginning of year	165,693,442	138,985,306	87,765,895	23,624,765	416,069,408
Depreciation	24,626,621	35,613,733	14,655,032	396,132	75,291,518
Derecognition	(972,222)	-	-	-	(972,222)
Balance at end of year	189,347,841	174,599,039	102,420,927	24,020,897	490,388,704
Net Carrying Value	P150,586,741	P93,541,182	P26,683,418	P604,205	P271,415,546

The depreciation is presented as part of the following:

	Note	**2021**	2020
Cost of services	15	**P100,593,882**	P64,714,712
Operating expenses	16	**26,378,102**	10,576,806
		P126,971,984	P75,291,518

10. Intangible Assets

Intangible assets pertain to capitalized computer software. The movements in the intangible assets account are as follows:

	Note	**2021**	2020
Cost			
Balance at beginning and end of year		**P2,483,438**	P2,483,438
Additions during the year		**6,250,045**	-
Balance at beginning of year		**8,733,483**	2,483,438
Accumulated Depreciation			
Balance at beginning of year		**2,475,660**	2,248,959
Amortization during the year	15, 16	**327,209**	226,701
Balance at end of year		**2,802,869**	2,475,660
Net Carrying Value		**P5,930,614**	P7,778

The amortization is presented as part of the following:

	Note	**2021**	2020
Cost of service	15	**P264,305**	P147,605
Operating expense	16	**62,904**	79,096
		P327,209	P226,701

11. Refundable Deposits

This account consists of:

	Note	**2021**	2020
Rental deposits	17	**P35,444,273**	P40,246,548
Guaranty deposit		**27,267,629**	27,267,629
Utility deposits		**480,950**	475,480
		63,192,852	67,989,657

	Note	2021	2020
Allowance for probable losses		**(27,267,629)**	(27,267,629)
	21, 22	**35,925,223**	40,722,028
Current portion		**(568,000)**	(118,000)
Noncurrent portion		**P35,357,223**	P40,604,028

Guaranty deposit pertains to the surety bond made to Department of Labor and Employment - National Labor Regulations Commission.

12. Trade and Other Payables

This account consists of:

	Note	2021	2020
Trade payable	21, 22	**P20,631,898**	P35,211,571
Salaries payable	21, 22	**78,739,721**	66,195,754
Accrued expenses	21, 22	**27,181,659**	22,720,198
Payable to government agencies		**12,241,949**	7,802,240
Withholding taxes		**1,921,951**	5,125,911
Sales tax payable		**1,345,152**	169,641
		P142,062,330	P137,225,315

Trade payables are normally on a 30-to-90-day credit terms.

The Group derecognized portion of salaries payable relating to long-outstanding unclaimed last pay of separated employees which the legal right to claim prescribed amounting to P5,081,074 in 2021 and P12,669,644 in 2020. These are presented as “Others” under “Other income (charges)” in the consolidated statements of comprehensive income.

Accrued expenses consist of electricity, legal fees, security services, consultancy, outside services, provision for leave encashment, etc. which are individually insignificant.

13. Related Party Transactions

The summary of the Group’s transactions and outstanding balances with related parties as at and for the years ended March 31, 2021 and 2020 are as follows:

			Outstanding Balance			
Category/ Transaction	**Year**	**Note**	**Amount**	**Trade Receivables**	**Terms**	**Conditions**
Ultimate Parent						
Service revenue	2021	a, 7	P1,734,622,026	P193,047,854	60 days; non- interest bearing	Unsecured; no impairment
	2020	a, 7	1,440,158,143	152,039,122		
Affiliate						
Service revenue	2021	b, 7	81,899,187	-	On demand	Unsecured; no impairment
Refundable deposits	2021	c, 17	5,761,596	5,761,596		
				P198,809,450		
				P152,039,122		

a. The Group entered into Service Agreements with vCustomer Services LLC (vSLLC), a company incorporated under the laws of the United States of America (USA), an affiliate, for an indefinite period unless mutually terminated, to provide web-based support (chat, email, fax); telephone support (voice); directory assistance; eCRM database management, eCRM database mining; web-based self-help solutions; remote website administration; remote back office support; remote system administration and technical help desk services through contact center representatives and such other functions as may be required in relation to the performance of its support function. vSLLC was merged with Tech Mahindra (Americas), Inc., a subsidiary of Tech Mahindra Limited (TML), on February 2, 2015. Accordingly, billings were made to TML subsequently.

b. The Subsidiary also entered into an agreement with Tech Mahindra Philippines wherein all cost incurred by the former (cost and operating expenses) in relation to the service it renders to the latter will be billed at ten percent (10%) mark-up rate.

c. The Parent Company has a refundable deposit amounting to P5,761,596 related to the additional office space at Ecommerce Building which was cancelled on March 31, 2019. As at March 31, 2020, such refundable deposit is recognized as part of “Refundable deposits - net of current portion” in the consolidated statements of financial position (see Note 11). As at March 31, 2021, the refundable deposit was transferred to Tech Mahindra Philippines, an affiliate, which subsequently occupied the additional office space (see Note 17).

d. Compensation of key management for the years ended March 31, 2021 and 2020 is as follows:

	2021	2020
Salaries	**P80,315,116**	P79,252,401
Retirement benefits costs	**10,431,316**	11,373,216
Allowance	**1,856,598**	2,240,158
Other employee benefits	**20,745,157**	15,196,035
	P113,348,187	P108,061,810

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

There are no other related party transactions.

14. Equity

Components of share capital are as follows:

	2021	2020
Authorized 1,000,000, issued, fully paid and outstanding: 950,000 ordinary shares - P10 par value	**P9,500,000**	P9,500,000

On March 31, 2021, the BOD approved the additional appropriation of P785,000,000 from its current retained earnings as at March 31, 2021 to be used by the Group for its business expansion projects for the year 2021 until 2024. Also, on the same date, the BOD approved the reversal of the appropriated retained earnings in 2020 of P655,000,000 intended for the expansion projects.

On March 31, 2020, the BOD approved an additional appropriation of P655,000,000 from the current retained earnings as at March 31, 2020 for business expansion projects from 2020 until 2023. Also, on the same date, the BOD approved the reversal of the P561,000,000 appropriation in 2019.

15. Cost of Services

This account consists of:

	Note	**2021**	2020
Personnel costs		**P906,336,294**	P699,862,041
Depreciation and amortization	9, 18	**185,864,700**	131,003,088
IT Infrastructure		**16,990,142**	19,814,366
Electricity		**31,566,134**	34,183,992
		P1,140,757,270	P884,863,487

Details of personnel costs are as follows:

	Note	**2021**	2020
Salaries and wages		**P546,492,232**	P476,703,480
Allowances and staff welfare costs		**250,653,204**	126,995,594
13th month pay		**48,161,609**	45,379,580
SSS, PHIC and HDMF premium contributions		**38,330,319**	39,170,457
Retirement benefits costs	18	**22,698,930**	11,612,930
		P906,336,294	P699,862,041

Depreciation and amortization are broken down as follow:

	Note	2021	2020
Property and equipment	9	**P100,593,882**	P64,714,712
ROU assets	17	**85,006,513**	66,140,771
Intangible asset	10	**264,305**	147,605
		P185,864,700	P131,003,088

16. Operating Expenses

This account consists of:

	Note	2021	2020
Personnel costs		**P293,395,793**	P208,654,520
Facility management services		**49,338,242**	41,565,341
Depreciation and amortization	9, 10	**46,810,832**	27,215,876
Communication, light and water		**22,576,325**	11,883,186
Security services		**20,366,449**	18,764,971
Outside services		**16,531,525**	13,449,774
Repairs and maintenance		**12,048,013**	6,729,666
Trainings and recruitments		**9,141,759**	15,566,065
Professional fees		**3,146,753**	5,760,337
Office supplies		**2,853,728**	3,282,435
Taxes and licenses		**1,622,424**	502,355
Transportation and travel		**361,808**	14,241,803
Rent	17	**180,000**	180,000
Miscellaneous		**11,862,145**	23,544,206
		P490,235,796	P391,340,535

Miscellaneous includes donation, freight, postage and courier, membership, office management, guest house expenses and corporate apartment expense.

Details of personnel costs are as follows:

	Note	2021	2020
Salaries and wages		**P203,109,409**	P123,376,675
Allowances and staff welfare costs		**45,007,994**	42,328,960
13th month pay		**12,872,004**	13,057,685
SSS, PHIC and HDMF premium contributions		**15,761,302**	14,303,689
Retirement benefits costs	18	**16,645,084**	15,587,511
		P293,395,793	P208,654,520

Depreciation and amortization are broken down as follow:

	Note	2021	2020
ROU assets	17	**P20,369,826**	P16,559,974
Property and equipment	9	**26,378,102**	10,576,806
Intangible assets	10	**62,904**	79,096
		P46,810,832	P27,215,876

17. Lease Agreements

Parent Company

Office Space

3rd Floor, Ecommerce Plaza Building

On June 12, 2008, vCustomer Services India Pvt. Ltd. (“vCustomer India”) entered into a lease agreement for office space located at 3rd Floor, eCommerce Plaza Building Eastwood City Cyberpark, 188 E. Rodriguez Jr. Avenue, Bagumbayan Quezon City. The lease term is 5 years from September 10, 2008 to September 10, 2013 with a free fitting out period of 3 months and an option to renew for an additional 2 lease terms of 5 years each.

Effective April 1, 2010 the vCustomer India subsequently assigned its rights and interest on the lease to the Parent Company

In 2013, the Parent Company renewed the lease for 5 years from September 10, 2013 to September 9, 2018 and renewed it further in 2018 for another five years from September 10, 2018 to September 9, 2023.

2nd Floor, Ecommerce Plaza Building

On September 15, 2018, the Parent Company entered into a lease agreement for an additional office space. The lease term is for 5 years from September 16, 2018 to November 15, 2023.

The Parent Company and the lessor mutually agreed to cancel this lease effective

March 31, 2019. As a result, the Parent Company derecognized the carrying amount of the leasehold improvements. Also, the Parent Company derecognized the related obligation to the lessor amounting to P5,000,000, which represents the cost of leasehold improvements that the Company would pay the lessor under the lease agreement. As at March 31, 2020, refundable deposits from the lease agreement amounted to P5,761,596 (see Note 12.). As at March 31, 2021, these refundable deposits were transferred to Tech Mahindra Philippines which subsequently occupied the additional office space (see Note 14).

Subsidiary

JESA Building, Cebu City

The Subsidiary entered into lease agreements for the corporate office unit it occupies in Cebu City. The lease term for the corporate office unit cover ten years with a free fitting out period of three months and an option to extend for another ten years. The lease term is from April 1, 2011 to March 31, 2021. Future payments under these lease agreements are subject to escalation rate of fifteen percent (15%) after the first five years. The Subsidiary entered into an extension of the lease contract for additional spaces in the same building starting May 1, 2014 up to March 31, 2021. Escalation of three percent (3%) per year is effective starting May 1, 2015. Rent free construction period is for two months.

During the quarter ended September 30, 2014, the Subsidiary entered into a new lease agreement to occupy additional office unit in the same building. The lease term for the unit is from July 1, 2014 to March 31, 2021 with a rent-free construction period from July 1, 2014 to August 31, 2014.

The lease agreements in JESA Building are renewable upon mutual agreement of both the lessor and the lessee.

EBLOC Tower 3, Cebu IT Park, Cebu City

In 2015, the Subsidiary entered into a lease agreement for the office unit and parking spaces for its expansion project located in EBLOC Tower 3, Cebu IT Park, Cebu City. The lease term for office unit is from January 6, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting January 1, 2016.

On the same year, the Subsidiary entered into a new lease agreement to occupy additional office unit and parking spaces in the same building. The lease term is from May 14, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting May 14, 2016.

Another lease agreement was entered by the Subsidiary on the same building for the lease of additional office units and parking spaces. The lease term is from October 15, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting October 15, 2016.

In 2019, the Subsidiary entered into a new lease agreement to occupy additional office unit and parking spaces located on the same building. The lease term is from June 15, 2019 to June 14, 2024. The lease payment is fixed for the entire duration of the lease.

The lease agreements in EBLOC Tower 3 are renewable upon mutual agreement of both the lessor and the lessee.

Filinvest Cebu, Cyberzone Tower 2, Cebu City

In 2019, the Subsidiary entered into a new lease agreement to occupy office units located in Filinvest Cebu, Cyberzone Tower 2, Cebu City. The lease term is from September 1, 2019 to August 31, 2025 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting September 1, 2020.

During the year, the Subsidiary also entered into two new lease agreements on the same building for the lease of additional office units. One lease agreement has a lease term from October 1, 2019 to August 31, 2025 while the other lease agreement has a lease term from December 1, 2019 to August 25, 2025. Both the lease agreements have free rent for the first three months of the actual handover date and escalation of five percent (5%) per year effective October 1, 2020 and December 1, 2020, respectively.

The Subsidiary will have the right to renew the lease for two (2) further five-year (5) lease terms by sending a written notice to the lessor not less than six (6) months prior to expiry of the initial term of these lease agreements.

The details of the Group's ROU assets and lease liabilities for these leases as shown below:

I. ROU Assets

The movements as at March 31, 2021 and 2020 are as follows:

	Note	**2021**	2020
Cost			
Balance at beginning of year	3	**P488,489,375**	P206,794,700
Additions during the year		**-**	281,694,675
Balance at end of year		**488,489,375**	488,489,375
Accumulated Amortization			
Balance at beginning of year		**82,700,745**	-
Amortization	15, 16	**105,376,339**	82,700,745
Balance at end of year		**188,077,084**	82,700,745
Net Carrying Value		**P300,412,291**	P405,788,630

II. Lease Liabilities

The movements in lease liabilities as at March 31, 2021 and 2020 are as follows

	Note	**2021**	2020
Balance at the beginning	3	**P436,873,575**	P240,946,899
Additions		**-**	281,694,675
Accretion of interest expense	3	**20,389,855**	17,699,304
Repayments		**(120,849,739)**	(103,467,303)
Net carrying value	3	**336,413,691**	436,873,575
Current portion		**107,301,957**	(91,657,165)
Noncurrent portion		**P229,111,734**	P345,216,410

III. Amounts in Profit or Loss

Amounts recognized in statement of comprehensive income are as follows:

	Note	**2021**	2020
Amortization on ROU assets	15, 16	**P105,376,339**	P82,700,745
Accretion of interest		**20,389,855**	17,699,304
Rent expense relating to short-term leases	16	**180,000**	180,000

IV. Future Minimum Lease Payments

The maturity analysis on the undiscounted lease liabilities as at March 31 is as follows:

	2021	2020
Maturity Analysis - Contractual Undiscounted Cash Flows		
Not more than 1 year	**P118,884,962**	P123,591,442
More than 1 year but less than 5 years	**273,679,565**	352,936,180
Total undiscounted lease liabilities at March 31, 2020	**P392,564,527**	P476,527,622

The Company also entered into lease agreements for residential condominium units to be used by its visitors. The lease term is 1 year, which is renewable upon mutual agreement and consent of both parties. The recognition exemption for right-of-use asset and lease liability is applied on these short-term leases.

There are no significant restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing

18. Retirement Benefits

The Group does not have an established formal retirement plan as at March 31, 2021 and 2020. It recognizes retirement benefits costs in accordance with the minimum regulatory benefit under Republic Act No. 7641, which is a defined benefit type. In the absence of a formal established retirement plan, the retirement benefit obligation is not yet funded. Retirement benefits are based on employees' years of service and compensation levels during employment period. Actuarial valuations are made with sufficient regularity. The most recent actuarial valuation was made for the year ended March 31, 2021. The principal actuarial assumptions used to determine retirement benefits were as follows:

Regulatory Framework in which the Retirement Plan Operates

In accordance with the provisions of the RA 7641, the Group is required to pay eligible employees at least minimum regulatory benefit upon normal retirement, subject to age and service requirements.

Responsibilities of Trustee

Since the Group does not have a formal, trusteed Retirement Plan, there are no Trustees yet.

Description of Plan Characteristics and Associated Risks

The calculations were based on the provisions of the minimum mandated benefit under RA 7641. However, it should be noted that in the event a benefit claim arises, the benefit shall immediately be due and payable from the Group.

Amounts Recognized in the Consolidated Financial Statements

The principal actuarial assumptions used to determine retirement benefits were as follows:

	2021	2020
Discount rate	**4.50%**	5.00%
Salary increase rate	**6.00%**	6.00%

Maturity Profile of Expected Future Benefit Payments

The Group's expected future benefit payments is shown below:

	2021	2020
Beyond one year not later than 5 years	**P4,692,800**	P1,753,776
Beyond 5 years (6 to 10 years)	**29,934,700**	20,840,213

The movement of present value of defined benefits obligation (DBO) follows:

	2021	2020
Balance at beginning of year	**P28,302,129**	P9,805,355
Current service cost	**37,948,724**	14,305,811
Past service cost		11,807,414
Remeasurement gains/(losses):		
Actuarial gains arising from liability assumption changes	**5,076,300**	5,074,222
Actuarial gains arising from changes in financial assumptions		-
Actuarial loss arising from liability experience	**(18,628,811)**	(12,525,218)
Interest cost	**1,395,290**	1,087,216
Benefits paid	**(4,240,731)**	(1,252,671)
Balance at end of year	**P49,852,901**	P28,302,129

The retirement benefits costs recognized as part of “Cost of services” and “Operating expenses” accounts in the consolidated statement of comprehensive income for the years ended March 31, 2021 and 2020 were determined as follows

	Note	**2021**	2020
Current service cost		**P37,948,724**	P14,305,811
Interest cost		**784,234**	1,087,216
Past service cost		**611,056**	11,807,414
Component of retirement benefits costs recognized in profit or loss	15, 16	**P39,344,014**	P27,200,441

Retirement benefits costs are broken down as follows:

	Note	**2021**	2020
Cost of services	15	**P22,698,930**	P11,612,930
Operating expenses	16	**16,645,084**	15,587,511
		P39,344,014	P27,200,441

The movement of cumulative remeasurement gain presented in the consolidated statement of changes in equity follows:

	2021	2020
Balance at beginning of year	**P46,225,842**	P38,774,846
Actuarial gain (loss):		
Due to liability assumption changes	**(5,076,300)**	(5,074,222)
Due to liability experience	**18,628,811**	12,525,218
Balance at end of year	**P59,778,353**	P46,225,842

Amount, Timing and Uncertainty of Future Cash Flows

Sensitivity analysis on the defined benefit obligation is as follows:

2021		**Sensitivity Analysis**	**Effect on DBO**
Discount rate	**5.50%**	**1% increase**	**(15.42%)**
Discount rate	**3.50%**	**1% decrease**	**18.94%**
Salary increase rate	**7.00%**	**1% increase**	**18.46%**
Salary increase rate	**5.00%**	**1% decrease**	**(15.35%)**

2020		Sensitivity Analysis	Effect on DBO
Discount rate	6.00%	1% increase	(16.51%)
Discount rate	4.00%	1% decrease	21.01%
Salary increase rate	7.00%	1% increase	20.57%
Salary increase rate	5.00%	1% decrease	(16.51%)

Methods and Assumptions Used in Sensitivity Analysis

All other assumptions were kept constant in determining the sensitivity results above.

Changes Since Previous Period

There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

Description of Asset-liability Matching Strategies

Since the DBO is still unfunded, there are no plan assets to match against the DBO.

Description of Funding Arrangements and Policies

Since the DBO is still unfunded, benefit claims under the DBO are paid directly by the Group when they become due.

Duration of Retirement Benefits Obligation

The average duration of the retirement benefit obligation is 26.90 years.

19. Income Taxes

Components of provision for income taxes charged to profit or loss are as follows:

	2021	2020
Current tax expense	**P13,715,474**	P15,717,900
Deferred tax expense (benefit)	**(67,884)**	(218,257)
	P13,647,590	P15,499,643

	2021	2020
Income before income tax	**P144,883,177**	P141,290,486
Less: Other income subject to RCIT	**5,081,074**	12,669,644
Gross income subject to GIT	**139,802,103**	128,620,842
Tax expense at 5%	**6,990,105**	6,431,042
Non-deductible expense	**32,426,367**	19,743,512
Non-taxable income:		
Income subject to tax holiday	**(27,181,142)**	(15,094,451)
Interest income	**(17,848)**	(19,303)
Movement on unrecognized deferred tax asset	**60,197**	637,950
Tax expense at RCIT*	**1,369,811**	3,800,893
	P13,647,590	P15,499,643

*For the year ended March 31, 2021, the Company used the transitory rate of 26.25% provided by the Bureau of Internal Revenue (BIR) in its Revenue Regulations (RR) 5-2021 dated April 8, 2021. For the year ended March 31, 2020, the Company used 30% income tax rate

The tax rate used for the 2021 and 2020 reconciliation above is the 5% special rate whose tax base is the gross income under the PEZA registered activities. Any income earned outside the PEZA registered activities are subject to Regular Corporate Income Tax (RCIT).

Registration with Philippine Economic Zone Authority (PEZA)

PEZA Registration of Parent Company

On March 29, 2010, the Parent Company was registered with Philippine Economic Zone Authority (PEZA) as an Ecozone IT enterprise. The Parent Company is entitled to incentives granted to non-pioneer projects under Republic Act (RA) 7916, the Special Economic Zone Act of 1995, as amended, and the PEZA IT Guidelines, which include a 4-year corporate Income Tax Holiday (ITH) for the original project in the eCommerce Plaza Building effective from the date of start of commercial operations. After the lapse of ITH, the Parent Company is subject to a 5% Gross Income Tax (5% GIT) incentive, in lieu of all national and local taxes.

On December 28, 2011, the PEZA approved the Parent Company's application for the ITH extension based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of November 1, 2012 to October 31, 2013.

Starting November 1, 2013, the Parent Company is subject to the 5% GIT incentive.

PEZA Registration of the Subsidiary

JESA Building, Cebu City (2nd, 4th, 5th and 6th Floors)

On February 8, 2011, the Subsidiary was registered with the PEZA as an Ecozone IT enterprise. The Subsidiary is entitled to incentives granted to non-pioneer projects under RA 7916 and the PEZA IT Guidelines, which include a 4-year corporate ITH for the original project in the JESA Building effective from the date of start of commercial operations. After the lapse of ITH, the Subsidiary is subject to a 5% GIT incentive, in lieu of all national and local taxes. The Subsidiary started its commercial operations on July 1, 2011 and enjoyed the ITH up to June 30, 2015.

On February 20, 2015, the PEZA approved the Subsidiary's application for the ITH extension based on NFEE criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of July 1, 2015 to June 30, 2016.

On October 18, 2016, the PEZA approved the Subsidiary's application for the additional ITH extension based on Capital Equipment to Labor Ratio (CELR) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The additional ITH extension covered the period of July 1, 2016 to June 30, 2017. Effective July 1, 2017, the Subsidiary's ITH lapsed.

Starting July 1, 2017, the JESA Building site is subject to the 5% GIT incentive.

EBLOC Tower 3, Cebu IT Park, Cebu City (7th, 8th and 9th Floors)

Under the Supplemental Agreement (SA) dated February 26, 2015, the PEZA approved a new non-pioneer project located at 7th and 8th Floor, EBLOC Tower 3, Cebu IT Park, Cebu City. The Subsidiary amended the SA dated August 17, 2015 to include the Subsidiary's application for its additional sales, customer, technical and shared service support activities at the 9th floor EBLOC Tower 3. On March 7, 2016, the entitlement to the 4-year ITH was validated and confirmed/approved. The Subsidiary started its commercial operations on April 1, 2015 and enjoyed the ITH up to March 31, 2019.

On September 05, 2019, PEZA approved the Subsidiary's application for ITH extension based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of April 1, 2019 to March 31, 2020. On June 7, 2020, the Subsidiary received a cortication from PEZA that it has filed an application for the extension of ITH covering the period from April 1, 2020 to March 31, 2021. The Subsidiary is still waiting for the approval of the ITH extension from PEZA.

EBLOC Tower 3, Cebu IT Park, Cebu City (6th Floor)

Under Supplemental Agreement (SA) dated July 23, 2019, the PEZA approved the Subsidiary's expansion project on sales support, customer support, technical support and shared service located at 6th Floor, EBLOC Tower 3, Cebu IT Park, Cebu City. On April 22, 2020, PEZA approved the date of Start of Commercial Operation (SCO) of its expansion project which gave the Subsidiary an ITH entitlement from September 1, 2019 to August 31, 2022. The Subsidiary is still waiting for the approval of its ITH Certificate of Entitlement from PEZA.

Filinvest Cebu, Cyberzone Tower 2, Cebu City (14th, 15th, 16th and 17th Floors)

Under Supplemental Agreement (SA) dated July 23, 2019, the PEZA approved the Company's application for registration of new activity, particularly to engage in sales support, customer support, technical support and shared services at the 14th, 15th, 16th and 17th Floors of Filinvest Cebu Cyberzone Tower 2. The Subsidiary is still waiting for the approval of its SCO and its ITH Certificate of Entitlement from PEZA.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

CREATE is an act reforming the corporate income tax and incentives system, amending for the purpose certain sections of Internal Revenue Code of 1997, as amended, and creating therein new title XIII, and for other purposes.

On March 26, 2021, the President of the Philippines has approved the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Group:

a) Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5million and with total assets not exceeding P100million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.

b) Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

c) The imposition of improperly accumulated earnings tax has been repealed.

d) Definition of reorganization for purposes of applying the tax-free exchange provision under Section 40(C)(2) is expanded. Prior BIR ruling or confirmation shall not be required for purposes of availing the tax exemption of the exchange.

e) Qualified export enterprises shall be entitled to 4 to 7 years income tax holiday (ITH) to be followed by 10 years 5% SCIT OR Enhanced Deductions (ED).

f) Qualified domestic market enterprises shall be entitled to 4 to 7 years ITH to be followed by 5 years ED.

g) Registered enterprises are exempt from customs duty on importation of capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity.

h) VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity by a registered business enterprise (RBE).

i) For investments prior to effectivity of CREATE: RBEs granted only an ITH - continue with the availment of the ITH for the remaining period of the ITH. RBEs granted an ITH + 5% GIT or currently enjoying 5% GIT - allowed to avail of the 5% GIT for 10 years.

The measure is set to take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. After which, the implementing rules and regulation will be issued by the tax authority.

On April 8, 2021, the Bureau of Internal Revenue (BIR) issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR Revenue Regulations (RR) No. 2-2021, Amending Certain Provisions of Revenue Regulations No. 2-98, As Amended, to Implement the Amendments Introduced by Republic Act No. 11534, or the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE), to the National Revenue Code of 1997, as Amended, Relative to the Final Tax on Certain Passive Income
- BIR RR No. 3-2021, Rules and Regulations Implementing Section 3 of Republic Act (RA). No. 11534, Otherwise Known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE", Amending Section 20 of the National Internal Revenue Code of 1997, As Amended
- BIR RR No. 4-2021, Implementing the Provisions on Value-Added Tax (VAT) and Percentage Tax Under Republic Act (RA) No. 11534, Otherwise Known as the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE) Which Further Amended the National Revenue Code of 1997, as Amended, as Implemented by Revenue Regulations (RR) No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended
- BIR RR No. 5-2021, Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to Republic Act (RA) No. 11534 or the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE), Which Further Amended the National Revenue Code (NIRC) of 1997 The corporate income tax of the Group will be lowered from 30% to 25% for large corporations on which the Group would qualify effective July 1, 2020.

20. Deferred Tax Liability

The deferred tax recognized by the Group is composed of the following:

	Balance in 2021	**Charged to Profit or Loss**	**Balance in 2021**
Deferred Tax Liability			
Unrealized foreign exchange gain/(loss)	P68,379	(P67,884)	P495

	Balance in 2020	Charged to Profit or Loss	Balance in 2020
Deferred Tax Liability			
Unrealized foreign exchange gain	P286,636	(P218,257)	P68,379

Deferred tax assets arising from various provisions amounting to nil and P1,423,835 in 2021 and 2020, respectively, were not recognized by the Group as the Management does not expect that there will be sufficient taxable profits against which the assets can be utilized before their expiration.

21. Financial Risk Management

Financial Risk Management Objectives and Policies

The main purpose of the Group's financial instruments is to fund the Group's operations and to acquire and improve property and equipment. The main risks arising from the use of financial instruments are credit risk, liquidity risk and market risk which includes interest rate risk and foreign currency risk. These are summarized below:

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents, trade receivables and refundable deposits, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these Instruments.

The Group controls this risk through monitoring procedures and regular coordination with the debtors. Receivable balances are monitored on an ongoing basis with the result that its exposure to bad debts Is not significant.

The table below presents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	Note	2021	2020
Cash in banks and time deposits	6	**P622,563,401**	P412,073,780
Trade receivables	7	**198,809,450**	152,039,122
Refundable deposits	11	**35,925,223**	67,989,657
		P857,298,074	P632,102,559

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

ECLs are a probability-weighted estimate of credit losses (i. e. the present value of all cash shortfalls) over the expected life of the financial instrument.

The Group's current credit risk grading framework comprises the following categories:

Categorv	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have anv past-due amounts	Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL- not credit- impaired
In default	Amount is >90 days past due or there is evidence indicate in the asset is credit-impaired	Lifetime ECL- credit impaired
Write-off	There is evidence indication that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

The following table details the credit quality of the Group's financial assets and other items, as well as the Group's maximum credit exposure to credit risk by credit risk rating grades as at March 31, 2021 and 2020:

2021	Note	Internal Credit Rating	12 Months Lifetime ECL	Gross Carrying Amount	Less Allowance	Net Carrying Amount
Cash in banks and time deposits	6	Performing	12 Month ECL	P622,563,401	P -	P622,563,401
Trade receivables	7	Performing	Lifetime ECL	198,809,450	-	198,809,450
Refundable deposits	11	Performing	12 Month ECL	63,192,852	27,267,629	35,925,223
				884,565,703	P -	P857,298,074

*Excluding Cash on hand amounting P120,000 in 2021 and 2020.

2020	Note	Internal Credit Rating	12 Months Lifetime ECL	Gross Carrying Amount	Less Allowance	Net Carrying Amount
Cash in banks and time deposits	6	Performing	12 Month ECL	P412,073,780	P -	P412,073,780
Trade receivables	7	Performing	Lifetime ECL	152,039,122	-	152,039,122
Refundable deposits	11	Performing	12 Month ECL	67,989,657	27,267,629	40,722,028
				P632,102,559	P27,267,629	P604,834,930

*Excluding Cash on hand amounting P120,000 in 2021 and 2020

For trade and other receivables, the Group has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity Risk

Liquidity is the risk arising from the shortage of funds due to unexpected events or transactions.

The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash deemed sufficient to finance operations. To cover its financing requirements, the Group obtains advances from its related parties, when necessary. As part of its liquidity risk management, the Group regularly evaluates its project ed and actual cash flows.

The table below summarizes the maturity profile of the Group's financial assets and liabilities as at March 31, 2021 and 2020 on undiscounted contractual cash flows.

2021	Note	**On Demand**	**Due Within 30 Days**	**Due Within 1 Year**	**Due Beyond 1 Year but not More than 5 Years**	**Total**
Cash and cash equivalents	6	P25,251,401	P597,312,000	P -	P -	P622,563,401
Trade and other receivables	7	5,761,596	193,047,854	-	-	198,809,450
Refundable deposits	11	-	-	-	35,925,223	35,925,223
		P31,012,997	P790,359,854	P -	P35,925,223	P857,298,074
Trade and other payables*	12	P20,631,898	P105,921,380	P -	P -	P126,553,278
Lease liabilities	17	-	-	118,884,962	273,679,565	392,564,527
		P20,631,898	P105,921,380	P118,884,962	P273,679,565	P519,117,805

*Excluding non-financial liabilities amounting to P15,509,052

**Undiscounted

2020	Note	On Demand	Due Within 30 Days	Due Within 1 Year	Due Beyond 1 Year but not More than 5 Years	Total
Cash and cash equivalents	6	P184,463,780	P227,610,000	P -	P -	P412,073,780
Trade and other receivables	7	-	152,039,122	-	-	152,039,122
Refundable deposits	11	-	-	-	40,722,028	40,722,028
		P184,463,780	P379,649,122	P -	P40,722,028	P604,834,930
Trade and other payables*	12	P55,547,880	P68,579,643	P -	P -	P124,127,523
Lease liabilities	17	-	-	123,591,442	352,936,180	476,527,622
		P55,547,880	P68,579,643	P123,591,442	P352,936,180	P600,655,145

*Excluding non-financial liabilities amounting to P13,097,792.

**Undiscounted

Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Group's interest rate risk relates to cash in banks and lease liabilities. The interest rates on these assets is disclosed in Notes 6 and 17.

The Group has a policy in place in managing interest rate risk and is monitored on an ongoing basis.

Foreign Currency Risk

Foreign exchange risk arises when an investment's value changes due to variations in the currency exchange rate. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Group's functional currency. The Group undertakes certain transactions denominated in Philippine Peso. Hence, exposures to exchange rate fluctuations arise with respect to such transactions.

Significant fluctuation in the exchange rates could significantly affect the Group's financial position. The Group has a policy in place in managing foreign currency risk and is monitored on an ongoing basis.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	2021	2020
Cash and cash equivalents	**P248,596,301**	P213,138,034
Trade receivables	**196,579,832**	149,174,531
Trade and other payables	**-**	(1,150,625)
Net exposure	**P445,166,133**	P361,161,940

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency of the Group against the relevant foreign currencies. The sensitivity rates used in reporting foreign currency risk internally to key management personnel is 5% in both years which represent Management's assessment of the reasonably possible change in foreign exchange rates based on historical trends. The sensitivity analysis includes all of the Group's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit and other equity when the functional currency of the Group's weakens 5% in both years against the relevant currency. For a 5% in both years strengthening of the functional currency of the Group against the relevant currency, there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Effect on Income for the Year	
	2021	2020
Cash and cash equivalents	**P12,429,315**	P14,919,663
Trade receivables	**9,828,992**	10,442,217
Trade and other payables	**-**	(80,543)
	P22,258,307	P25,281,337

The above sensitivity analysis is applicable in determining the effect on equity of the changes in foreign exchange rates.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

22. Fair Value Information

The fair value of the Group's financial assets and liabilities:

		2021		2020	
	Note	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	6	**P622,613,401**	**P622,613,401**	P412,073,780	P412,073,780
Trade and other receivables	7	**198,809,450**	**198,809,450**	152,039,122	152,039,122
Refundable deposits	11	**35,925,223**	**35,925,223**	40,722,028	40,722,028
		P857,418,074	**P857,418,074**	P604,834,930	P604,834,930
Financial Liabilities					
Trade and other payables	12	**P126,553,278**	**P126,553,278**	P133,402,900	P133,402,900
Lease liabilities		**336,413,691**	**336,413,691**	436,873,575	436,873,575
		P462,966,969	**P462,966,969**	P570,276,475	P570,276,475

The difference between the carrying amount of trade and other receivables and trade and other payables disclosed in the consolidated statements of financial position and the amount disclosed in this note pertains to advances to suppliers, officers and employees and government payables, respectively, since these are not considered as financial assets or liabilities.

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables and Trade and Other Payables

The carrying amounts of approximate their fair values due mainly to the relatively short-term maturities of these financial instruments.

Refundable deposits

The carrying amount approximates it fair value as the effect of discounting is not considered material.

Lease Liabilities

The carrying amount approximates its fair value because the difference between the interest rate of this instrument and the prevailing market rate for a similar instrument is not considered significant.

23. Capital Risk Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business, maximize shareholder value, maintain various stakeholders' confidence and sustain future development of the business. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may issue stock dividend to shareholders, return or issue capital. No significant changes have been made in the capital management approach as they have been applied in previous years. The Group has not been subjected to externally imposed capital requirements. No major changes were made in the objectives, policies and procedures in 2021 and 2020.

The Group considers the following as its capital:

	2021	2020
Share capital	**P9,500,000**	P9,500,000
Additional paid-in capital	**156,044**	156,044
Retained earnings	**790,310,239**	659,074,652
Cumulative remeasurement gain on retirement benefits	**59,778,353**	46,225,842
	P859,744,636	P714,956,538

The debt to equity ratio at year-end was as follows:

	2021	2020
Debt	**P533,039,573**	P609,251,628
Equity	**859,744,636**	714,956,538
	0.61:1	0.85:1

24. Other Matters

On March 8, 2020, under Proclamation 922, the President of the Philippines (the “President”) has declared a state of public health emergency due to the spread of the Corona Virus Disease 2019 (COVID-19) in the country. As of report date, the country is still under various types of community quarantine to prevent the spread of COVID-19.

The Group was not significantly affected by these events as the Group is still able to continue its operations. The increase in expenses caused by the COVID 19 pandemic has no impact as the Group is under a cost-plus arrangement. The Management assessed that that business will continue to operate in the succeeding years.

Despite or amidst this event, the financial statements have been prepared on a going concern basis of accounting as of reporting date since the Group implemented all measures to mitigate the risks on their business operations.

VCUSTOMER PHILIPPINES (CEBU), INC.

Board of Directors

Mr. Anand Achuthan
Mr. Narinder Singh Sethi
Ms. Lynette De Guzman
Ms. Jeane R.T Montes

Registered Office

6th Floor EBLOC 3, Geonzon St. Cebu IT Park Apas Lahug
Cebu City, Philippines 6000

Bankers

UNION BANK OF THE PHILIPPINES

Auditors

R.G. MANABAT & CO.

VCUSTOMER PHILIPPINES (CEBU), INC.

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of vCustomer Philippines (Cebu), Inc. (vCPCI) for the year ended March 31, 2021.

Financial Results (PHP):

For the years ended	**March 31, 2021 PHP**	March 31, 2020 PHP
Revenue	**1,483,110,436**	1,043,438,347
Profit	**118,387,761**	99,350,043

Review of Operations:

For the fiscal year ended March 31, 2021, vCPCI reported revenue amounted to PHP **1,483,110,436**, an increase of PHP **439,672,089** over the last reporting year ended March 31, 2020. Profit for the fiscal year ended March 31, 2021 amounted to PHP **118,387,761, 19**% increase over the last reporting year. Certain project of vCPCI is still entitled to Income Tax Holiday (ITH).

Future Plans and Appropriations:

vCPCI made a reversal of the Appropriated Retained Earnings of PHP **370,000,000** intended for the expansion projects. Additional appropriation of the amount of PHP **489,000,000** from its current retained earnings as at March 31, 2021 to be used by the Company for its expansion projects, office renovation and equipment upgrade in the year 2021 until 2022. vCPCI is expecting engagement of additional account/clients and increase and employee headcount.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Anand Achuthan
President

Lynette De Guzman
Director, Chief Finance Officer

Place:
Date: May 12, 2021

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
vCustomer Philippines (Cebu), Inc.
6th Floor EBLOC 3, Geonzon St. Cebu IT Park
Apas Lahug, Cebu City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of vCustomer Philippines (Cebu), Inc. (the "Company"), a wholly owned subsidiary of vCustomer Philippines, Inc., which comprise the statements of financial position as at March 31, 2021 and 2020, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditors' 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 auditors' 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.

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 the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 95177-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
Tax Identification No. 912-365-765
BIR Accreditation No. 08-001987-030-2019
Issued August 7, 2019; valid until August 6, 2022
PTR No. MKT 8533899
Issued January 4, 2021 at Makati City

May 15, 2021
Makati City, Metro Manila

REPORT OF INDEPENDENT AUDITORS

TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING

WITH THE BUREAU OF INTERNAL REVENUE

The Stockholders and Board of Directors
vCustomer Philippines (Cebu), Inc.
6th Floor EBLOC 3, Geonzon St. Cebu IT Park
Apas Lahug, Cebu City

We have audited the accompanying financial statements of vCustomer Philippines (Cebu), Inc. (the "Company"), a wholly owned subsidiary of vCustomer Philippines, Inc., as at and for the year ended March 31, 2021, on which we have rendered our report dated May 15, 2021.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholder of the Company

R.G. MANABAT & CO.

DINDO MARCO M. DIOSO
Partner
CPA License No. 0095177
SEC Accreditation No. 95177-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
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Issued January 4, 2021 at Makati City

May 15, 2021
Makati City, Metro Manila

VCUSTOMER PHILIPPINES (CEBU), INC.

STATEMENT OF FINANCIAL POSITION MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents	6, 20,21	**P322,813,523**	P135,510,615
Trade and other receivables	7, 20, 21	**174,094,882**	112,224,193
Prepaid expenses and other current assets	8	**9,230,564**	14,513,338
Total Current Assets		**506,138,969**	262,248,146
Noncurrent Assets			
Property and equipment - net	9	**181,050,826**	259,542,684
Right-of-use assets - net	17	**252,926,761**	338,853,381
Intangible assets - net	10	**768,114**	-
Refundable deposits	11, 20, 21	**29,271,618**	28,756,827
Other noncurrent asset	8	**-**	7,169,348
Total Noncurrent Assets		**464,017,319**	634,322,240
		P970,156,288	P896,570,386
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	12, 20, 21	**P121,390,447**	P110,305,441
Lease liabilities - current portion	17, 20	**87,803,978**	73,333,680
Income tax payable		**1,818,917**	3,414,323
Total Current Liabilities		**211,013,342**	187,053,444
Noncurrent Liabilities			
Retirement benefits obligation	18	**28,827,200**	12,471,980
Lease liabilities - net of current portion	17, 20	**193,787,374**	290,161,143
Deferred tax liability	19	**-**	44,793
Total Noncurrent Liabilities		**222,614,574**	302,677,916
Total Liabilities	22	**433,627,916**	489,731,360
Equity			
Share capital	14	**9,500,000**	9,500,000
Retained earnings	14,	**490,771,043**	372,383,282
Cumulative remeasurement gain on retirement benefits	18	**36,257,329**	24,955,744
	22	**536,528,372**	406,839,026
		P970,156,288	P896,570,386

See Notes to the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	2021	2020
SERVICE REVENUE	13	**P1,483,110,436**	P1,043,438,347
COST OF SERVICES	15	**972,242,087**	674,704,397
GROSS PROFIT		**510,868,349**	368,733,950
OPERATING EXPENSES	16	**358,983,497**	250,427,143
INCOME FROM OPERATIONS		**151,884,852**	118,306,807
OTHER INCOME (CHARGES) - Net			
Interest expense	17	**(17,056,630)**	(13,579,695)
Foreign exchange gain (loss)		**(16,256,306)**	(9,870,978)
Interest income	6	**132,046**	164,691
Others	12	**4,117,637**	10,114,897
		(29,063,253)	(13,171,085)
INCOME BEFORE INCOME TAX		**122,821,599**	105,135,722
PROVISION FOR INCOME TAX	19	**4,433,838**	5,675,269
NET INCOME		**118,387,761**	99,460,453
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain (loss) on retirement benefits	18	**11,301,585**	5,586,209
TOTAL COMPREHENSIVE INCOME		**P129,689,346**	P105,046,662

See Notes to the Financial Statements.

VCUSTOMER PHILIPPINES (CEBU), INC.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	2021	2020
SHARE CAPITAL	14	**P9,500,000**	P9,500,000
RETAINED EARNINGS			
Appropriated			
Balance at beginning of year	14	**370,000,000**	301,000,000
Appropriation for business expansion	14	**489,000,000**	370,000,000
Reversal of appropriation	14	**(370,000,000)**	(301,000,000)
Balance at end of year		**489,000,000**	370,000,000
Unappropriated			
Balance as at April 1, 2020		**-**	2,855,974
Adjustment on initial application of PFRS 16		**-**	(30,933,145)
Balance at beginning of the year		**2,383,282**	(28,077,171)
Net income during the year		**118,387,761**	99,460,453
Appropriation for business expansion	14	**(489,000,000)**	(370,000,000)
Reversal of appropriation	14	**370,000,000**	301,000,000
Balance at end of year		**1,771,043**	2,383,282
Total retained earnings		**490,771,043**	372,383,282
CUMULATIVE REMEASUREMENT GAIN ON RETIREMENT BENEFITS			
Item that will not to be reclassified subsequently to profit or loss			
Balance at beginning of year		**24,955,744**	19,369,535
Remeasurement gain (loss) during the year	18	**11,301,585**	5,586,209
Balance at end of year		**36,257,329**	24,955,744
		P536,528,372	P406,839,026

See Notes to the Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(With Comparative Figures for 2019)

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**P122,821,599**	P105,135,722
Adjustments for:			
Depreciation and amortization	9, 10, 17	**202,192,486**	127,725,420
Retirement benefits cost	18	**29,947,348**	15,453,319
Interest expense on lease liabilities	17	**17,056,630**	13,579,695
Write off of payables	12	**(4,117,637)**	(10,114,897)
Unrealized foreign exchange loss (gain)		**1,203,937**	(895,856)
Interest income	6	**(132,046)**	(164,691)
Operating income before working capital changes		**368,972,317**	250,718,712
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Trade and other receivables		**(61,870,689)**	(56,342,022)
Prepaid expenses and other current assets		**5,282,774**	(4,466,626)
Refundable deposits		**(514,791)**	(17,794,833)
Other noncurrent asset		**7,169,348**	(7,169,348)
Increase in trade and other payables		**15,202,643**	57,284,131
Cash generated from operations		**334,241,602**	222,230,014
Income tax paid		**(6,074,037)**	(4,917,043)
Retirement benefits paid	18	**(2,290,543)**	(880,451)
Interest received	6	**132,046**	164,691
Net cash generated from operating activities		**326,009,068**	216,597,211
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	9	**(37,454,577)**	(279,650,727)
Additions to refundable deposit	10	**(1,087,545)**	-
cash used in investing activities		**(38,542,122)**	(279,650,727)
CASH FLOWS FROM FINANCING ACTIVITY			
Repayment of lease liabilities	17	**(98,960,101)**	(83,135,894)
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**(1,203,937)**	895,856
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**187,302,908**	(145,293,554)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**135,510,615**	280,804,169
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	**P322,813,523**	P135,510,615

See Notes to the Financial Statements.

1. Reporting Entity

vCustomer Philippines (Cebu), Inc. (the "Company") was incorporated on

January 20, 2011 primarily to carry on the business of providing services to customers in any part of the world through any and all medium of communication including internet and telephone including management services, solutions to business problems, web designing, customer relations, development/production of software and software systems, data warehousing , data mining, processing and analysis including assimilation, sorting, processing and communication of date ang graphs, development of computer system, software development, data preparation and verification, data analysis, data transmission and computation through the computer or other devices encompassing digital, analogue and graphic processes and any other medium and processes as may evolve and to deal on all areas relating to information technology; to undertake merchandising and logistic activities in the area of electronic commerce as well as other form of commerce and commercial transactions and to undertake the operation and management of e-mail services centers, customer response centers, computer education and centers for the foregoing operations, loyalty incentive and motivation programmes, direct marketing activities, database management, back office support and all internet and web related work; and in addition, to have shared resources and assets with other entities providing similar services.

The Company is a wholly owned subsidiary of vCustomer Philippines, Inc. (the "Parent Company"), a Company incorporated in the Philippines, and located at 3rd Floor eCommerce Plaza, Eastwood Cyberpark, Quezon City. The Parent Company is a wholly owned subsidiary of Tech Mahindra Limited (the "Ultimate Parent"), a corporation organized and existing under the laws of India.

In February 2021, Security and Exchange Commission (SEC) approved the Company's change of principal place of business or registered address from 90 General Maxilom Avenue, Cebu City to at 6th Floor EBLOC 3, Geonzon St. Cebu IT Park, Apas Lahug, Cebu City.

The Parent Company's registered principal office address is at 3rd Floor, eCommerce Plaza, Eastwood Cyberpark, Quezon City, Philippines.

Registration with the Philippine Economic Zone Authority (PEZA)

JESA Building, Cebu City (2nd, 4th, 5th and 6th Floors)

On February 8, 2011, the Company was registered with the Philippine Economic Zone Authority (PEZA) as an Ecozone IT enterprise. The Company is entitled to incentives granted to non-pioneer projects under Republic Act (RA) 7916, the Special Economic Zone Act of 1995, as amended, and the PEZA IT Guidelines, which include a 4-year corporate Income Tax Holiday (ITH) for the original project in the JESA Building effective from the date of start of commercial operations. After the lapse of ITH, the Company is subject to a 5% Gross Income Tax (5% GIT) incentive, in lieu of all national and local taxes. The Company started its commercial operations on July 1, 2011 and enjoyed the ITH up to June 30, 2015.

On February 20, 2015, the PEZA approved the Company's application for the ITH extension based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6,

Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of July 1, 2015 to June 30, 2016.

On October 18, 2016, the PEZA approved the Company's application for the additional ITH extension based on Capital Equipment to Labor Ratio (CELR) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A (6) of the PEZA Rules. The additional ITH extension covered the period of July 1, 2016 to June 30, 2017. Effective July 1, 2017, the Company's ITH lapsed.

Starting July 1, 2017, the JESA Building site is subject to the 5% GIT incentive.

EBLOC Tower 3, Cebu IT Park, Cebu City (7th, 8th and 9th Floors)

Under the Supplemental Agreement (SA) dated February 26, 2015, the PEZA approved a new non-pioneer project located at 7th and 8th Floor, EBLOC Tower 3, Cebu IT Park, Cebu City. The Company amended the SA dated August 17, 2015 to include the Company's application for its additional sales, customer, technical and shared service support activities at the 9th floor EBLOC Tower 3. On March 7, 2016, the entitlement to the 4-year ITH was validated and confirmed/approved. The Company started its commercial operations on April 1, 2015 and enjoyed the ITH up to March 31, 2019.

On September 05, 2019, PEZA approved the Company's application for ITH extension based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6,

Paragraph A (6) of the PEZA Rules. The ITH extension covered the period of April 1, 2019 to March 31, 2020. On June 7, 2020, the Company received a cortication from PEZA that it has filed an application for the extension of ITH covering the period from April 1, 2020 to March 31, 2021. The Company is still waiting for the approval of the ITH extension from PEZA.

EBLOC Tower 3, Cebu IT Park, Cebu City (6th Floor)

Under Supplemental Agreement (SA) dated July 23, 2019, the PEZA approved the Company's expansion project on sales support, customer support, technical support and shared service located at 6th Floor, EBLOC Tower 3, Cebu IT Park, Cebu City. On April 22, 2020, PEZA approved the date of Start of Commercial Operation (SCO) of its expansion project which gave the Company an ITH entitlement from

September 1, 2019 to August 31, 2022. The Company is still waiting for the approval of its ITH Certificate of Entitlement from PEZA.

Filinvest Cebu, Cyberzone Tower 2, Cebu City (14th, 15th, 16th and 17th Floors)

Under Supplemental Agreement (SA) dated July 23, 2019, the PEZA approved the Company's application for registration of new activity, particularly to engage in sales support, customer support, technical support and shared services at the 14th, 15th, 16th and 17th Floors of Filinvest Cebu Cyberzone Tower 2. The Company is still waiting for the approval of its SCO and its ITH Certificate of Entitlement from PEZA.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Philippine Financial Reporting Standards Council (FRSC), consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations.

Basis of Measurement

The financial statements have been prepared on a historical cost basis of accounting except for retirement benefits obligation which is recognized at the present value of the defined benefits obligation.

Functional and Presentational Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded in the nearest peso, except when otherwise indicated.

Authorization for the Issuance of the Financial Statements

The accompanying financial statements of the Company as of and for the year ended March 31, 2021 was authorized for issue by the Board of Directors (BOD) on May 12, 2021.

3. Adoption of New Standards, Amendments to Standards and Interpretations

Adoption of Amendments to Standards and Interpretations

The Company has adopted the following new standards and amendments to standards starting April 1, 2020 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new and amendments to standards did not have any significant impact on the Company's financial statements.

These are as follows: Effective January 1, 2020

- Amendments to References to Conceptual Framework in PFRS Standards sets out amendments to PFRS Standards, their accompanying documents and PFRS practice statements to reflect the issuance of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework). The 2018 Conceptual Framework includes:
  - a new chapter on measurement;
  - guidance on reporting financial performance;
  - improved definitions of an asset and a liability, and guidance supporting these definitions; and
  - clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

    Some standards, their accompanying documents and PFRS practice statements contain references to, or quotations from, the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements adopted by the IASB in 2001 or the Conceptual Framework for Financial Reporting issued in 2010. The amendments update some of those references and quotations so that they refer to the 2018 Conceptual Framework and makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

- Definition of Material (Amendments to PAS 1, Presentation of Financial Statements and PAS 8). The amendments refine the definition of material. The amended definition of material states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify the definition of material and its application by:

  (a) raising the threshold at which information becomes material by replacing the term 'could influence' with 'could reasonably be expected to influence';

  (b) including the concept of 'obscuring information' alongside the concept of 'omitting' and 'misstating' information in the definition;

  (c) clarifying that the users to which the definition refers are the primary users of general-purpose financial statements referred to in the Conceptual Framework;

  (d) clarifying the explanatory paragraphs accompanying the definition; and

  (e) aligning the wording of the definition of material across PFRS and other publications.

  The amendments are expected to help entities make better materiality judgements without substantively changing existing requirements.

Standards Issued But Not Yet Adopted

A number of amendments to standards are effective for annual periods beginning after April 1, 2020. However, the Company has not early adopted the following new or amended standards in preparing these separate financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's separate financial statements.

Effective June 1, 2020

- COVID-19-Related Rent Concessions (Amendment to PFRS 16, Leases). The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of

  COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient applies if:

  - the revised consideration is substantially the same or less than the original consideration;
  - the reduction in lease payments relates to payments due on or before June 30, 2021; and,
  - no other substantive changes have been made to the terms of the lease.

    Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

    The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

Effective January 1, 2022

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16, Property, Plant and Equipment). The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statements of comprehensive income (loss). This disclosure is not required if such proceeds and cost are presented separately in the statements of comprehensive income (loss).

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendment to PAS 37 Provisions, Contingent Liabilities and Contingent Assets). The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprises both incremental costs and an allocation of other direct costs.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to four standards:

  - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to PFRS 9, Financial Instruments). The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Lease Incentives (Amendment to Illustrative Examples accompanying PFRS 16). The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

Effective January 1, 2023

- Classification of Liabilities as Current or Non-current (Amendments to PAS 1, Presentation of Financial Statements). To promote consistency in application and clarify the requirements on determining whether a liability is current or

non-current, the amendments:

  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

  - clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and

  - clarified that settlement of a liability includes transferring a company's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or non-current.

    The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

4. Significant Accounting Policies

The significant accounting policies and practices applied in the preparation of these financial statements are set forth to facilitate the understanding of data presented in the financial statements. These policies have been consistently applied to all years presented unless otherwise stated.

Financial Instruments

Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the Company transfers the financial asset to another party and does not retain control or substantially all risks and rewards of the asset. Purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date that the asset is delivered to or by the Company). At initial recognition, the Company measures its financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated as fair value through profit or loss, includes transaction costs.

After initial recognition, the Company classifies its financial assets as subsequently measured at either i) amortized cost, ii) fair value through other comprehensive income or iii) fair value through profit or loss on the basis of both:

The Company's business model for managing the financial assets.

The contractual cash flow characteristics of the financial asset.

Subsequent to initial recognition, financial assets are measured as described below.

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes a loss allowance for expected credit losses for financial assets measured at either amortized costs or at fair value through other comprehensive income. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months of expected credit losses.

If, at the reporting date, the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses. The Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and ii) 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.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, less any impairment losses.

Financial assets at amortized cost are classified as current assets when the Company expects to realize the asset within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

Cash and cash equivalents, trade and other receivables and refundable deposits are generally included in this category.

Cash includes cash on hand, cash in banks and cash equivalents.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

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

The Company generally classifies all financial liabilities as subsequently measured at amortized cost.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables and lease liabilities are generally included in this category.

Prepaid Expenses and Other Current Assets

Prepaid expenses represent expenses not yet incurred but already paid in cash. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Other current assets pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company.

Prepaid expenses and other current assets are classified in the statements of financial position as current asset when the cost of services related to the prepaid expenses and other current assets are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, prepaid expenses are classified as non-current assets.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

At the end of each reporting period, items of property and equipment are measured at cost less any subsequent accumulated depreciation and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of Years
Office equipment	5
Communication equipment	3
Furniture and fixtures	3
Leasehold improvements	3 or lease term whichever is shorter

Leasehold improvements are amortized over the improvements' useful life of three years or when shorter, the term of the relevant lease.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

At the end of each reporting period, the Company assesses whether there is any indication that any of its property and equipment is impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Intangible Assets

Intangible Asset Acquired Separately

Intangible assets are initially measured at cost. Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives. The estimated useful life and the amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Share Capital

Ordinary shares is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Retained Earnings

Retained earnings and deficit represent accumulated profits and losses earned and incurred by the Company. Retained earnings and deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Provisions

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Employee Benefits

Short-Term Benefits

The Company recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-Employment Benefits

Defined Benefit Plan

The Company classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the statements of financial position with a charge or credit recognized in OCI in the period in which they occur. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefits liability or asset. Defined benefits costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurements.

The Company presents the first two components of defined benefits costs in profit or loss in the line item ‘retirement benefits costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefits obligation recognized in the statements of financial position represents the liability of the Company for its post-employment benefits.

Compensated Leave Credits

The Company’s net obligation in respect of accumulated leaves is the amount of future benefit that employees have earned in return for their services in the current and prior periods. This benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Revenue Recognition

The Company identifies each distinct performance obligation to transfer services. The Company recognizes revenue when (or as) it satisfies a performance obligation by transferring the control of services to the customer. The transaction price is the amount of consideration the Company expects to receive under the arrangement. The Company concluded that it is acting as principal for its revenue arrangement.

Sale of Services. The Company provides services assistance to its Parent Company in the ordinary course of business. Such services are recognized as a performance obligation satisfied over time.

Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or increase of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Leases

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

As a Lessee

The Company recognizes a right-of-use assets and a lease liabilities at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove or restore the underlying asset or the site on which it is located, less any incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the

right-of-use assets or the end of lease term. The estimated useful lives of the

right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liabilities are measured at amortized cost using the effective interest method. This are remeasured if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The ROU assets and lease liabilities are presented in the statements of financial position separately from other assets and liabilities, respectively.

Foreign Currency

Transactions in currencies other than Philippine peso are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated In foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in profit or loss for the year.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities under common control with the reporting enterprises and their key management personnel, directors, or its stockholders. Related parties may be individuals or corporate entities. In considering each possible related party relationships, attention is directed to the substance of the relationship, and not merely the legal form.

Income Taxes

Income tax expense recognized in the statements of comprehensive income of the Company represents the current tax expense and deferred tax expense.

Under the Company's registration with the PEZA pursuant to the provisions of Republic Act (R.A.) No. 7916, the Company is subject to 5% final tax on gross income from PEZA-registered activities in lieu of payment of national and local taxes.

Uncertainties related to taxes that are not income taxes are recognized and measured in accordance with PAS 37 unless they are dealt with specifically in another standard.

If there is uncertainty about an income tax treatment, then the Company considers whether it is probable that a tax authority will accept the Company's tax treatment included in its tax filing. The underlying assumption in the assessment is that a tax authority will examine all amounts reported and will have full knowledge of all relevant information.

Current Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using 5% of gross income earned from registered activities. For income other than its registered activities, tax rate is 30%. For income other than its registered activities, tax rate is 30% or exempt when the activities are included under income tax holiday.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period

The Company identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to financial statements when material.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that Management have made in the process of applying the entity 's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has determined to be the Philippine Peso.

The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the Company's cost of operation, and in effect, its revenue.

Determination of the Term and Discount Rate of Lease Arrangements

Where the Company is the lessee, management is required to make judgments about whether an arrangement contains a lease, the lease term and the appropriate discount rate to calculate the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases entered into by the Company as lessee, management uses the incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses an approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company and makes adjustments specific to the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated) and, as such, included within lease liabilities.

The Company normally considers in the assessment whether there are significant penalties to terminate, significant remaining value of leasehold improvements and historical lease durations, the costs and business disruption for replacing the leased asset, enforceability of the option, and business and other developments.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the lessee's control.

Key Sources of Estimation Uncertainties

The following are key estimates concerning the future and other key sources of estimation uncertainty as at end of reporting period that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Impairment of Property and Equipment

The Company assesses at the end of each reporting period whether there is any indication that its property and equipment is impaired. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Management assessed that there are no indicators of impairment affecting the noncurrent financial assets as at March 31, 2020 and 2019.

As at March 31, 2021 and 2020, the carrying amount of property and equipment amounted to P181,050,826 and P259,542,684, respectively (see Note 9).

Estimating Retirement Benefits Obligation

The present value of the retirement benefits obligation depends on a number of assumptions that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for retirement benefits include the discount rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits liability. Other key assumptions include future salary, mortality and attrition. Additional information is disclosed in Note 18

Retirement benefits obligation amounted to P28,827,200 and P12,471,980 and as at March 31, 2021 and 2020, respectively (see Note 18).

Provisions and Contingencies

The recognition of provisions on claims requires estimates and judgment regarding the timing and the amount of outflow of resources. Assessment by internal and external legal counsel, where appropriate, determines whether it is probable that an outflow of resources will be required to settle an obligation. If this is the case, the best estimate of the outflow of resources is recognized.

The Company has no provision for probable losses as at March 31,2021 and 2020.

6. Cash and Cash Equivalents

This account consists of:

	Note	2021	2020
Cash on hand		**P70,000**	P70,000
Cash in banks	21	**12,363,523**	79,918,615
Time deposits	21	**310,380,000**	55,522,000
	20	**P322,813,523**	P135,510,615

Interest income on cash in banks and time deposits amounted to P132,046 in 2021 and P164,691 in 2020.

7. Trade and Other Receivables

This account consists of:

	Note	2021	2020
Trade receivables	13, 20, 21	**P162,126,101**	P110,099,505
Advances to employees		**7,831,560**	2,124,688
Advances to suppliers		**4,137,221**	-
		P174,094,882	P112,224,193

Trade receivables have average credit terms of 60 days.

8. Prepaid Expenses and Other Current Assets

This account consists of:

	2021	2020
Prepaid insurance	**P6,921,458**	P11,611,873
Others	**2,309,106**	2,901,465
	P9,230,564	P14,513,338

Prepaid insurance pertains to the unamortized payments for the Health Maintenance Organization (HMO) coverage of the Company's employees until November 30, 2021. As at March 31, 2021 and 2020, the noncurrent portion amounting to nil and P7,169,348, respectively, is presented under "Other noncurrent asset" account in the statements of financial position.

Others consist of unamortized payments for maintenance fees and membership dues and advance payments for advertising.

9. Property and Equipment

The movements in this account are as follows:

2021	**Office Equipment**	**Communication Equipment**	**Leasehold Improvements**	**Furniture and Fixtures**	**Total**
Cost					
Balance at beginning of year	P225,706,298	P83,492,625	P314,585,282	P18,581,010	P642,365,215
Acquisitions	27,259,892	9,697,179	497,506	-	37,454,577
Balance at end of year	**252,966,190**	**93,189,804**	**315,082,788**	**18,581,010**	**679,819,792**
Accumulated Depreciation					
Balance at beginning of year	136,835,963	62,511,869	165,006,745	18,467,954	382,822,531
Depreciationand amortization	45,654,685	12,363,882	57,873,751	54,117	115,946,435
Balance at end of year	**182,490,648**	**74,875,751**	**222,880,496**	**18,522,071**	**498,768,966**
Net carrying value	**P70,475,542**	**P18,314,053**	**P92,202,292**	**P58,939**	**P181,050,826**

2020	Office Equipment	Communication Equipment	Leasehold Improvements	Furniture and Fixtures	Total
Cost					
Balance at beginning of year	P135,519,595	P67,321,561	P141,403,822	P18,469,510	P362,714,488
Acquisitions	90,186,703	16,171,064	173,181,460	111,500	279,650,727
Balance at end of year	**225,706,298**	**83,492,625**	**314,585,282**	**18,581,010**	**642,365,215**
Accumulated Depreciation					
Balance at beginning of year	105,984,933	53,014,935	141,335,126	18,184,981	318,519,975
Depreciationand amortization	30,851,030	9,496,934	23,671,619	282,973	64,302,556
Balance at end of year	**136,835,963**	**62,511,869**	**165,006,745**	**18,467,954**	**382,822,531**
Net carrying value	**P88,870,335**	**P20,980,756**	**P149,578,537**	**P113,056**	**P259,542,684**

The depreciation is presented as part of the following:

	Note	2021	2020
Cost of service	15	**P95,936,787**	P59,932,400
Operating expense	16	**20,009,648**	4,370,156
		P115,946,435	P64,302,556

10. Intangible Assets

Intangible assets pertain to capitalized computer software. The movements in this account are as follows:

	Note	2021	2020
Cost			
Beginning and end of year balance		**P680,468**	P680,468
Additions		**1,087,545**	-
		1,768,013	680,468
Amortization during the year			
Balance at beginning of year		**680,468**	522,100
Amortization	15,16	**319,431**	158,368
Balance at end of year		**999,899**	680,468
Net carrying value		**P768,114**	P -

The amortization is presented as part of the following:

	Note	2021	2020
Cost of service	15	**P264,305**	P147,605
Operating expense	16	**55,126**	10,763
		P319,431	P158,368

11. Refundable Deposits

This account consists of:

	Note	2021	2020
Rental deposits		**P28,790,668**	P28,281,347
Utilities deposits		**480,950**	475,480
Guaranty deposit		**27,267,629**	27,267,629
		56,539,247	56,024,456
Less allowance for probable losses		**27,267,629**	27,267,629
	20, 21	**P29,271,618**	P28,756,827

Guaranty deposit pertains to the surety bond made to Department of Labor and Employment - National Labor Regulations Commission.

12. Trade and Other Payables

This account consists of:

	Note	2021	2020
Trade payables	20, 21	**P19,766,266**	P21,374,203
Salaries payable	20, 21	**67,115,710**	50,602,170
Accrued expenses	20, 21	**21,900,955**	28,847,706
Payable to government agencies		**10,498,687**	5,865,193
Output VAT - net		**1,345,152**	-
Withholding taxes		**763,677**	3,616,169
		P121,390,447	P110,305,441

Trade payables are normally on a 30-to-90-day credit terms.

The Company derecognized portion of salaries payable relating to long-outstanding unclaimed last pay of separated employees, which the legal right to claim has prescribed amounting to P4,117,637 in 2021 and P10,114,897 in 2020. These are presented as “Others” under “Other income (charges)” in the statements of comprehensive income..

Accrued expenses consist of electricity, legal fees, security services, consultancy, outside services, provision for leave encashment, etc. which are individually insignificant.

13. Related Party Transactions

The summary of the Company’s transactions and outstanding balances with related parties as at and for the years ended March 31, 2021 and 2020 is as follows:

				Outstanding Balance		
Category/ Transaction	**Year**	**Note**	**Amount**	**Trade Receivables**	**Terms**	**Conditions**
Service Revenue						
Ultimate Parent	2021	a, 7	P1,401,211,249	P162,126,101	60 days;	Unsecured;
	2020	a, 7	1,043,438,347	110,099,505	non-interest bearing	no impairment
Affiliate	2021	b	81,899,187			
	2021			**P162,126,101**		
	2020			**P110,099,505**		

(a) The Company entered into a Service Agreement with vCustomer Services LLC (vSLLC), a Company incorporated under the laws of the United States of America (USA), an affiliate , for an indefinite period unless mutually terminated, to provide web-based support (chat, email, fax); telephony support (voice); directory assistance; eCRM database management, eCRM database mining; web-based self-help solutions; remote website administration; remote back office support; remote system administration and technical help desk services in the United States through contact center representatives and such other functions as may be required in relation to the performance of its support function

In consideration thereof, the Company bills vSLLC ten percent (10%) mark-up rate on all costs (cost and operating expenses) incurred by the Company in providing the services. Contract receivables are billed by the Company in US dollars on a periodical basis and are settled in the same currency. vSLLC was merged with Tech Mahindra (Americas), Inc., a subsidiary of Tech Mahindra Limited (TML), on February 2, 2015. Accordingly, billings were made to TML subsequently.

(b) Compensation of key management personnel for the years ended March 31, 2020 and 2019 is as follows:

	Note	2021	2020
Salaries		**P47,468,962**	P45,619,183
Retirement benefits costs	18	**5,594,601**	4,405,464
Allowance		**1,226,598**	1,585,158
Other employee benefits		**8,674,454**	9,745,430
		P62,964,615	P61,355,235

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

There are no other related party transactions.

14. Equity

Components of share capital are as follows:

	2021	2020
Authorized 1,000,000, issued, fully paid and outstanding: 950,000 ordinary shares - Php10 par value	**P9,500,000**	P9,500,000

On March 31, 2021, the Company's BOD approved the additional appropriation of P489,000,000 from its current retained earnings as at March 31, 2021 to be used by the Company for its business expansion projects for the year 2021 until 2024. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings in 2020 of P370,000,000 intended for the expansion projects.

On March 31, 2020, the Company's BOD approved the additional appropriation of P370,000,000 from its current retained earnings as at March 31, 2020 to be used by the Company for its business expansion projects for the year 2020 until 2023. Also, on the same date, the Company's BOD approved the reversal of the appropriated retained earnings in 2019 of P301,000,000 intended for the expansion projects.

15. Cost of Services

This account consists of:

	Note	2021	2020
Personal costs		**P763,718,934**	P514,881,305
Depreciation	9, 17	**171,981,553**	118,225,961
Electricity		**26,386,083**	26,137,813
IT infrastructure		**10,155,517**	15,459,318
		P972,242,087	P674,704,397

Details of personnel costs are as follows:

	Note	2021	2020
Salaries, wages and other employee benefits		**P460,706,322**	P348,878,291
Allowances and staff welfare costs		**212,660,766**	96,888,728
SSS, PHIC and HDMF premium contributions		**40,192,033**	33,421,857
13th month pay		**30,946,130**	28,178,191
Retirement benefits costs	18	**19,213,683**	7,514,238
		P763,718,934	P514,881,305

Depreciation and amortization are broken down as follow:

	Note	2021	2020
Property and equipment	9	**P95,936,787**	P59,932,400
ROU assets	17	**75,780,461**	58,145,956
Intangible assets	10	**264,305**	147,605
		P171,981,553	P118,225,961

16. Operating Expenses

This account consists of:

	Note	2021	2020
Personnel costs		**P185,952,910**	P128,167,359
Facility management services		**42,934,808**	33,772,784
Depreciation and amortization	9, 10, 17	**30,210,933**	9,499,459
Insurance		**22,743,224**	11,480,345
Communication, light and water		**18,530,157**	7,869,239
Security services		**16,136,098**	14,128,058
Outside services		**12,771,687**	9,011,412
Repairs and maintenance		**9,427,629**	4,556,712
Trainings and recruitment		**7,730,549**	12,040,707
Office supplies		**2,604,735**	2,481,193
Professional services		**1,867,243**	1,458,368
Taxes and licenses		**205,018**	452,290
Transportation and travel		**136,910**	8,635,889
Miscellaneous		**7,731,596**	6,873,328
		P358,983,497	P250,427,143

Facility management services pertains to the common usage expenses, housekeeping and maintenance dues incurred by the Company related on its lease facilities.

Details of personnel costs are as follow:

	Note	2021	2020
Salaries, wages and other employee benefits		**P128,163,088**	P75,947,233
Allowance and staff welfare costs		**27,483,868**	25,435,247
13th month pay		**8,514,229**	8,620,781
SSS, PHIC and HDMF premium contributions		**11,058,060**	10,225,017
Retirement benefits costs	18	**10,733,665**	7,939,081
		P185,952,910	P128,167,359

Depreciation and amortization are broken down as follow:

	Note	2021	2020
ROU assets	17	**P10,146,159**	P5,118,540
Property and equipment	9	**20,009,648**	4,370,156
Intangible assets	10	**55,126**	10,763
		P30,210,933	P9,499,459

17. Lease Agreements

All of the Company's leases are long term.

JESA Building, Cebu City

The Company entered into lease agreements for the corporate office unit it occupies in Cebu City. The lease term for the corporate office unit cover ten years with a free fitting out period of three months and an option to extend for another ten years. The lease term is from April 1, 2011 to March 31, 2021. Future payments under these lease agreements are subject to escalation rate of fifteen percent (15%) after the first five years. The Company entered into an extension of the lease contract for additional spaces in the same building starting May 1, 2014 up to March 31, 2021. Escalation of three percent (3%) per year is effective starting May 1, 2015. Rent free construction period is for two months.

During the quarter ended September 30, 2014, the Company entered into a new lease agreement to occupy additional office unit in the same building. The lease term for the unit is from July 1, 2014 to March 31, 2021 with a rent-free construction period from July 1, 2014 to August 31, 2014.

The lease agreements in JESA Building are renewable upon mutual agreement of both the lessor and the lessee. As at March 31, 2021, the lease agreement in JESA Building was not renewed.

EBLOC Tower 3, Cebu IT Park, Cebu City

In 2015, the Company entered into a lease agreement for the office unit and parking spaces for its expansion project located in EBLOC Tower 3, Cebu IT Park, Cebu City. The lease term for office unit is from January 6, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting January 1, 2016.

On the same year, the Company entered into a new lease agreement to occupy additional office unit and parking spaces in the same building. The lease term is from May 14, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting May 14, 2016.

Another lease agreement was entered by the Company on the same building for the lease of additional office units and parking spaces. The lease term is from October 15, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting October 15, 2016.

In 2019, the Company entered into a new lease agreement to occupy additional office unit and parking spaces located on the same building. The lease term is from June 15, 2019 to June 14, 2024. The lease payment is fixed for the entire duration of the lease.

The lease agreements in EBLOC Tower 3 are renewable upon mutual agreement of both the lessor and the lessee.

Filinvest Cebu, Cyberzone Tower 2, Cebu City

In 2019, the Company entered into a new lease agreement to occupy office units located in Filinvest Cebu, Cyberzone Tower 2, Cebu City. The lease term is from September 1, 2019 to August 31, 2025 with free rent for the first three months of the actual handover date. Escalation of five percent (5%) per year is effective starting September 1, 2020.

The Company also entered into two new lease agreements on the same building for the lease of additional office units. One lease agreement has a lease term from October 1, 2019 to August 31, 2025 while the other lease agreement has a lease term from December 1, 2019 to August 25, 2025. Both the lease agreements have free rent for the first three months of the actual handover date and escalation of five percent (5%) per year effective October 1, 2020 and December 1, 2020, respectively.

The Company will have the right to renew the lease for two (2) further five-year (5) lease terms by sending a written notice to the lessor not less than six (6) months prior to expiry of the initial term of these lease agreements.

The details of the Company's ROU assets and lease liabilities for these leases as shown below.

I. ROU Assets

The movements as at March 31, 2020 are as follows:

	Note	**2021**	2020
Cost			
Balance at beginning of year		**P402,117,877**	P120,423,202
Additions during the year		**-**	281,694,675
		402,117,877	402,117,877
Accumulated Amortization			
Balance at beginning of year		**63,264,496**	-
Amortization	15, 16	**85,926,620**	63,264,496
Balance at end of year		**149,191,116**	63,264,496
Net carrying value		**P252,926,761**	P338,853,381

II. Lease Liabilities

The movements in lease liabilities as at March 31, 2020 are as follows:

	Note	2021	2020
Balance at the beginning		**P363,494,823**	P151,356,347
Additions		**-**	281,694,675
Accretion of interest expense		**17,056,630**	13,579,695
Repayments		**(98,960,101)**	(83,135,894)
Carrying value		**281,591,352**	363,494,823
Less current portion		**87,803,978**	73,333,680
Noncurrent portion		**P193,787,374**	P290,161,143

III. Amounts in Profit or Loss

Amounts recognized in statements of comprehensive income are as follows:

	Note	2021	2020
Depreciation on right-of-use assets	15, 16	**P85,926,620**	P63,264,497
Accretion of interest expense		**17,056,630**	13,579,695
		P102,983,250	P76,844,192

IV. Future Minimum Lease Payments

The maturity analysis on the undiscounted lease liabilities is as follows:

	2021	2020
Maturity Analysis - Contractual Undiscounted Cash Flows		
Not more than 1 year	**P96,253,480**	P102,037,702
More than 1 year but less than 5 years	**237,745,187**	294,370,672
Total undiscounted lease liabilities	**P333,998,667**	P396,408,374

There is no short-term lease for the years ended March 31, 2021 and 2020.

18. Retirement Benefits Costs

The Company does not have an established formal retirement plan as at March 31, 2021 and 2020. It recognizes retirement benefits costs in accordance with the minimum regulatory benefit under Republic Act No. 7641, which is a defined benefit type. In the absence of a formal established retirement plan, the retirement benefit obligation is not yet funded. Retirement benefits are based on employees' years of service and compensation levels during employment period. Actuarial valuations are made with sufficient regularity. The most recent actuarial valuation was made for the year ended March 31, 2021. The principal actuarial assumptions used to determine retirement benefits were as follows:

Regulatory Framework in which the Retirement Plan Operates

In accordance with the provisions of the RA 7641, the Company is required to pay eligible employees at least minimum regulatory benefit upon normal retirement, subject to age and service requirements.

Responsibilities of Trustee

Since the Company does not have a formal, trusteed Retirement Plan, there are no Trustees yet.

Description of Plan Characteristics and Associated Risks

The calculations were based on the provisions of the minimum mandated benefit under RA 7641. However, it should be noted that in the event a benefit claim arises, the benefit shall immediately be due and payable from the Company.

Amounts Recognized in the Financial Statements

The principal actuarial assumptions used to determine retirement benefits were as follows:

	2021	2020
Discount rate	**4.25%**	5.00%
Salary increase rate	**6.00%**	6.00%

Maturity Profile of Expected Future Benefit Payments

The company's expected future benefit payment is shown below:

	2021	2020
Beyond five years (6 to 10 years)	**P24,446,200**	P16,252,490

The movements of the present value of defined benefit obligation (DBO) which is also the amount of retirement benefits obligation recognized in the statements of financial position is as follows:

	Note	2021	2020
Balance at beginning of year		**P12,471,980**	P3,485,321
Current service cost	15, 16	**29,336,292**	7,914,672
Interest cost	15, 16	**611,056**	471,440
Past service cost	15, 16	**-**	7,067,207
Benefits paid		**(2,290,543)**	(880,451)
Remeasurement gain		**(11,301,585)**	(5,586,209)
Balance at end of year		**P28,827,200**	P12,471,980

The retirement benefits cost recognized as part of "Cost of services" and "Operating expenses" accounts in the statements of comprehensive income for the years ended March 31, 2021 and 2020 were determined as follows

	Note	2021	2020
Current service cost		**P29,336,292**	P7,914,672
Past service cost		**-**	7,067,207
Interest cost		**611,056**	471,440
	15, 16	**P29,947,348**	P15,453,319

The retirement benefits costs are broken down as follows:

	Note	2021	2020
Costs of services	15	**P19,213,683**	P7,514,238
Operating expenses	16	**10,733,665**	7,939,081
		P29,947,348	P15,453,319

The movement of cumulative remeasurement gain presented in the statements of changes in equity follows:

	2021	2020
Balance at beginning of year	**P24,955,744**	P19,369,535
Actuarial gain (loss):		
Due to liability assumption changes	**(3,372,900)**	(2,266,735)
Due to liability experience	**14,674,485**	7,852,944
	11,301,585	5,586,209
Balance at the end of year	**P36,257,329**	P24,955,744

Amount, Timing and Uncertainty of Future Cash Flows

Sensitivity analysis on the defined benefits obligation is as follows:

2021		**Sensitivity Analysis**	**Effect on DBO**
Discount rate	**5.25%**	**1% increase**	**(15.16%)**
Discount rate	**3.25%**	**1% increase**	**19.28%**
Salary increase rate	**7.00%**	**1% increase**	**18.73%**
Salary increase rate	**5.00%**	**1% increase**	**15.07%**

2020		Sensitivity Analysis	Effect on BDO
Discount rate	6.00%	1% increase	(16.51%)
Discount rate	4.00%	1% decrease	21.01%
Salary increase rate	7.00%	1% increase	20.57%
Salary increase rate	5.00%	1% decrease	(16.51%)

Methods and Assumptions Used in Sensitivity Analysis

All other assumptions were kept constant in determining the sensitivity results above.

Changes since previous period

There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

Description of Assets-liability Matching Strategies

Since the DBO is still unfunded, there are no plan assets to match against the DBO.

Description of Funding Arrangement and Policies

Since the DBO is still unfunded, benefit claims under the DBO are paid directly by the Company when they become due.

19. Income Taxes

The reconciliation of the income tax expense computed at the statutory income tax rate to the actual income tax expense as shown in the statements of comprehensive income for the years ended March 31 is as follows:

	2021	2020
Current income tax expense	**P4,478,631**	P5,785,680
Deferred tax expense	**(44,793)**	(110,411)
	P4,433,839	P5,675,269

The reconciliation of the income tax expense computed at the statutory income tax rate to the actual income tax expense as shown in the statements of comprehensive income for the years ended March 31 is as follows:

	2021	2020
Profit before income tax	**P122,821,599**	P105,135,722
Less: Other income subject to RCIT	**4,117,637**	10,114,897
Profit subject to GIT	**P118,703,962**	P95,020,825
Tax expense at 5%	**P5,935,198**	P4,751,041
Non-deductible expense	**24,545,308**	12,576,292
Movement on unrecognized DTA	**60,197**	416,153
Nontaxable income subject to final tax	**(6,602)**	(8,235)
Nontaxable income subject to tax holiday	**(27,181,142)**	(15,094,451)
Tax expense subject to 30% RCIT	**1,080,880**	3,034,469
Balance at end of year	**P4,433,839**	P5,675,269

*For the year ended March 31, 2021, the Company used the transitory rate of 26.25% provided by the Bureau of Internal Revenue (BIR) in its Revenue Regulations (RR) 5-2021 dated April 8, 2021. For the year ended March 31, 2020, the Company used 30% income tax rate.

The tax rate used for the 2021 and 2020 reconciliation above is the 5% special rate whose tax base is the gross income under the PEZA registered activities. Any income earned outside the PEZA registered activities are subject to Regular Corporate Income Tax (RCIT).

The deferred tax assets arising from various provisions and unrealized foreign exchange loss amounting to P60,197 in 2021 and P416,153 in 2020 were not recognized as the management does not expect that there will be sufficient taxable profits against which the assets can be utilized before the expiration

The deferred tax liability arising from the unrealized foreign exchange gains amounting to nil in 2021 and P44,793 in 2020 is recognized by the Company.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

CREATE is an act reforming the corporate income tax and incentives system, amending for the purpose certain sections of Internal Revenue Code of 1997, as amended, and creating therein new title XIII, and for other purposes.

On March 26, 2021, the President of the Philippines has approved the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Company:

a) Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.

b) Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

c) The imposition of improperly accumulated earnings tax has been repealed.

d) Definition of reorganization for purposes of applying the tax-free exchange provision under Section 40(C)(2) is expanded. Prior BIR ruling or confirmation shall not be required for purposes of availing the tax exemption of the exchange.

e) Qualified export enterprises shall be entitled to 4 to 7 years income tax holiday (ITH) to be followed by 10 years 5% SCIT OR Enhanced Deductions (ED).

f) Qualified domestic market enterprises shall be entitled to 4 to 7 years ITH to be followed by 5 years ED.

g) Registered enterprises are exempt from customs duty on importation of capital equipment, raw materials, spare parts, or accessories directly and exclusively used in the registered project or activity.

h) VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity by a registered business enterprise (RBE).

i) For investments prior to effectivity of CREATE: RBEs granted only an

   ITH - continue with the availment of the ITH for the remaining period of the ITH. RBEs granted an ITH + 5% GIT or currently enjoying 5% GIT - allowed to avail of the 5% GIT for 10 years.

   The measure is set to take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. After which, the implementing rules and regulation will be issued by the tax authority.

   On April 8, 2021, the Bureau of Internal Revenue (BIR) issued the following implementing revenue regulations that are effective immediately upon publication:

   - BIR Revenue Regulations (RR) No. 2-2021, Amending Certain Provisions of Revenue Regulations No. 2-98, As Amended, to Implement the Amendments Introduced by Republic Act No. 11534, or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), to the National Revenue Code of 1997, as Amended, Relative to the Final Tax on Certain Passive Income

   - BIR RR No. 3-2021, Rules and Regulations Implementing Section 3 of Republic Act (RA). No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE”, Amending Section 20 of the National Internal Revenue Code of 1997, As Amended

   - BIR RR No. 4-2021, Implementing the Provisions on Value-Added Tax (VAT) and Percentage Tax Under Republic Act (RA) No. 11534, Otherwise Known as the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE) Which Further Amended the National Revenue Code of 1997, as Amended, as Implemented by Revenue Regulations (RR) No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended

   - BIR RR No. 5-2021, Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to Republic Act (RA) No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE), Which Further Amended the National Revenue Code (NIRC) of 1997

The corporate income tax of the Company will be lowered from 30% to 25% for large corporations on which the Company would qualify effective July 1, 2020.

20. Fair Value Information

The fair value of Company's financial assets and liabilities:

	Note	**2021**		2020	
		Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	6	**P322,813,523**	**P322,813,523**	P135,510,615	P135,510,615
Trade receivables	7	**162,126,101**	**162,126,101**	110,099,505	110,099,505
Refundable deposits	11	**29,271,618**	**29,271,618**	28,756,827	28,756,827
		P514,211,242	**P514,211,242**	P274,366,947	P274,366,947
Financial Liabilities					
Trade and other payables*	12	**P108,782,931**	**P108,782,931**	P100,824,079	P100,824,079
Lease liabilities	17	**281,591,352**	**281,591,352**	363,494,823	363,494,823
		P390,374,283	**P390,374,283**	P464,318,902	P464,318,902

*Excluding non-financial liabilities amounting toP12,607,516 and P9,481,362 as at March 31, 2021 and 2020, respectively.

The difference between the carrying amount of trade and other receivables and trade and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to advances to officers and employees and government payables since these are not considered as financial assets or liabilities.

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables and Trade and Other Payables

The carrying amounts approximate their fair values due mainly to the relatively short-term maturities of these financial instruments.

Refundable Deposits

The carrying amount approximates its fair value because it is stated at present value using an interest rate similar to the prevailing market rate for a similar instrument.

Lease Liabilities

The carrying amount approximates its fair value because the difference between the interest rate of this instrument and the prevailing market rate for a similar instrument is not considered significant.

21. Financial Risk Management

Financial Risk Management Objectives and Policies

The main purpose of the Company's financial instruments is to fund the Company's operation and to acquire and improve property and equipment. The main risks arising from the use of financial instruments are credit risk, liquidity risk and market risk which includes interest rate risk and foreign currency risk. These are summarized below::

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contact, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

With respect to credit risk arising from the Company's financial assets, which comprise of cash and cash equivalents, trade receivables and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

The Company controls this risk through monitoring procedure and regular coordination with the debtors. Receivable balances are monitored on an ongoing basis with the result that its exposure to bad debts is not significant.

The table below presents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained:

	Note	2021	2020
Cash and cash equivalents*	6	**P322,743,523**	P135,440,615
Trade receivables	7	**162,126,101**	110,099,505
Refundable deposits	11	**29,271,618**	28,756,827
		P514,141,242	P274,296,947

*Excluding Cash on hand amounting P70,000 in 2021 and 2020

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for Recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indication that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written-off

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at March 31, 2021 and 2020:

2021	**Note**	**Internal Credit-rating**	**12m or Lifetime ECL**	**Gross Carrying Amount**	**Loss Allowance**	**Net Carrying Amount**
Cash and cash equivalents*	6	**Performing**	**12m ECL**	**P322,743,523**	**P -**	**P322,743,523**
Trade receivables	7	**Performing**	**Lifetime ECL**	**162,126,101**	**-**	**162,126,101**
Refundable deposits	11	**Performing**	**Lifetime ECL**	**56,539,247**	**27,267,629**	**29,271,618**
				P541,408,871	**P27,267,629**	**P514,141,242**

*Excluding Cash on hand amounting to P70,000

2020	Note	Internal Credit-rating	12m or Lifetime ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Cash and cash equivalents*	6	Performing	12m ECL	P135,440,615	P -	P135,440,615
Trade receivables	7	Performing	Lifetime ECL	110,099,505	-	110,099,505
Refundable deposits	11	Performing	Lifetime ECL	56,024,456	27,267,629	28,756,827
				P301,564,576	P27,267,629	P274,296,947

*Excluding Cash on hand amounting to P70,000

For trade receivables, the Company has applied the simplified approach in PFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity Risk

Liquidity pertains to the risk arising from the shortage of funds due to unexpected events or transactions.

The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Company maintains a level of cash deemed sufficient to finance operations. To cover its financing requirements, the Company obtains advances from its Parent Company, when necessary. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

The table below summarizes the maturity profile of the Company's financial assets and liabilities as at March 31, 2021 and 2020 on undiscounted contractual cash flows.

2021	**Note**	**On Demand**	**Due Within 30 Days**	**Due Within 1 Year**	**Due Beyond 1 Year but not More than 5 Years**	**Total**
Cash and cash equivalents	6	**P12,363,523**	**P310,380,000**	**P -**	**P -**	**P322,743,523**
Trade receivables	7	**-**	**162,126,101**	**-**	**-**	**162,126,101**
Refundable deposits	11	**-**	**-**	**-**	**29,271,618**	**29,271,618**
		P12,363,523	**P472,506,101**	**P -**	**P29,271,618**	**P514,141,242**
Trade and other payables*	12	**P19,766,266**	**P89,016,665**	**P -**	**P -**	**P108,782,931**
Lease liabilities	17	**-**	**-**	**96,253,480**	**237,745,187**	**333,998,667**
		P19,766,266	**P89,016,665**	**P96,253,480**	**P237,745,187**	**P442,781,598**

*Excluding Cash on hand amounting to P70,000.

**Excluding non-financial liabilities amounting to P12,607,516

2020	Note	On Demand	Due Within 30 Days	Due Within 1 Year	Due Beyond 1 Year but not More than 5 Years	Total
Cash and cash equivalents	6	P79,918,615	P55,522,000	P -	P -	P135,440,615
Trade receivables	7	-	110,099,505	-	-	110,099,505
Refundable deposits	11	-	-	-	28,756,827	28,756,827
		P79,918,615	P165,621,505	P -	P28,756,827	P274,296,947
Trade and other payables*	12	P32,244,435	P68,579,644	P -	P -	P100,824,079
Lease liabilities	17	-	-	102,037,702	294,370,672	396,408,374
		P32,244,435	P68,579,644	P102,037,702	P294,370,672	P497,232,453

*Excluding Cash on hand amounting to P70,000.

**Excluding non-financial liabilities amounting to P9,481,362..

Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Company's interest rate risk relates to cash in banks and lease liabilities. The interest rates on these assets is disclosed in Notes 6 and 17.

The Company has a policy in place in managing interest rate risk and is monitored on an ongoing basis

Foreign Currency Risk

Foreign exchange risk arises when an investment 's value changes due to variations in the currency exchange rate. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. The Company undertakes certain transactions denominated in Philippine Peso. Hence, exposures to exchange rate fluctuations arise with respect to such transactions.

Significant fluctuation in the exchange rates could significantly affect the Company's financial position. The Company has a policy in place in managing foreign currency risk and is monitored on an ongoing basis.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	2021	2020
Cash and cash equivalents	**P147,463,505**	P62,473,756
Trade and other receivables	**162,126,101**	109,571,407
	309,589,606	172,045,163
Trade and other payables	**-**	(1,150,625)
Net exposure	**P309,589,606**	P170,894,538

The following table details the Company's sensitivity to the exchange rate fluctuation of U.S. Dollar against Philippine Peso. The sensitivity rates used in reporting foreign currency risk internally to key management personnel is 5% in 2021 and 2020 which represent Management's assessment of the reasonably possible change in foreign exchange rates based on historical trends. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items as at the end of the reporting period. A negative number below indicates a decrease in profit when the US Dollar strengthen by 5% in 2021 and 2020 against the relevant currency. For a 5% in 2021 and 2020 increase of the US Dollars against Philippine Peso, there would be an equal and opposite impact on profit and the balances below would be negative.

	Effect on Profit Before Tax for the Year	
	2021	2020
Cash and cash equivalents	**P7,373,175**	P3,123,688
Trade and other receivables	**8,106,305**	5,478,570
Trade and other payables	**-**	(57,531)
	P15,479,480	P8,544,727

The above sensitivity analysis is applicable in determining the effect on equity of the changes in foreign exchange rates.

In Management 's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

22. Capital Risk Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, maximize shareholder value, maintain various stakeholders' confidence and sustain future development of the business. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may issue stock dividend to shareholders, return or issue capital. No significant changes have been made in the capital management approach as they have been applied in previous years. The Company has not been subjected to externally imposed capital requirements. No major changes were made in the objectives, policies and procedures in 2021 and 2020.

The Company considers the following as its capital:

	2021	2020
Share capital	**P9,500,000**	P9,500,000
Retained earnings	**490,771,043**	372,383,282
Cumulative remeasurement gain on retirement benefits	**36,257,329**	24,955,744
	P536,528,372	P406,839,026

The debt to equity ratio at year-end was as follows:

	2021	2020
Debt	**P433,627,916**	P489,731,360
Equity	**536,528,372**	406,839,026
	0.81:1	1.20:1

23. Other Matter

On March 8, 2020, under Proclamation 922, the President of the Philippines (the "President") has declared a state of public health emergency due to the spread of the Corona Virus Disease 2019 (COVID-19) in the country. As of report date, the country is still under various types of community quarantine to prevent the spread of COVID-19.

The Company was not significantly affected by these events as the Company is still able to continue its operations using the work-from-home arrangement. The increase in expenses caused by the COVID 19 pandemic has no impact as the Company is under a cost-plus arrangement. The Management assessed that that business will still expand in the succeeding years.

Despite or amidst this event, the financial statements have been prepared on a going concern basis of accounting as of reporting date since the Company implemented all measures to mitigate the risks on their business operations.

24. Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue (BIR)

In addition to the disclosure mandated under PFRSs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the separate financial statements, certain supplementary information for the taxable year. The amounts relating to such supplementary information may not necessarily be the same with those amounts disclosed in the separate financial statements which were prepared in accordance with PFRSs. Following are the tax information/disclosures required for the taxable year ended March 31, 2021:

A. VAT

	Amount
1. Output VAT	**P9,827,902**
Account title used:	
Basis of the Output VAT:	
Vatable sales	
Zero rated sales	**P81,899,187**
	1,401,211,248
	P1,483,110,435

In 2021, the Company has zero-rated sales amounting to P1,401,211,248. In accordance with pertinent tax laws and revenue regulations, zero-rated sale of services consists of export sales.

B. Withholding Taxes

	Amount
Compensation withholding taxes	**P21,002,004**
Expanded withholding taxes	**11,380,154**
Final withholding taxes	**-**
	P32,382,158

C. All Other Taxes (Local and National)

	Amount
Other taxes paid during the year recognized as	
"Taxes and licenses" account under Expenses	
Business tax	**P203,518**
BIR annual registration	**1,500**
	P205,018

D. Tax Assessments and Tax Cases

As at March 31, 2021, the Company has no pending tax court cases or tax assessment notices from the BIR.

Information on amounts of custom duties, tariff fees, excise taxes and documentary stamp taxes is not applicable since there are no transactions that the Company would be subjected to these taxes in 2021.

PF HOLDINGS B.V.

Board of Directors
Mr. Vikram Nair
Mr. Sandeep Phadke
Mr. Rajan Wadhera
Mr. Nikhil R Sohoni
Mr Mandar Vasant Bhairavkar – from 27th January 2021
Mr. Tanveer Hussain – up to 16th August 2020
Mr. Abhijeet Awekar – up to 26th January 2021

Registered Office
Maanplein 20, 2516 CK, The Hague,
the Netherlands

Bankers
JP Morgan Chase Bank
BNP Paribas
BANCA Intermobiliare Di Investimenti E Gestioni

Auditors
B S R & Co LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tech Mahindra Limited

Report on the Audit of Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of PF Holdings B.V. ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together herein after referred to as "financial statements"). These financial statements have been prepared by the management as described in Note 2 to the financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, of the state of affairs of the Company as at 31 March 2021, and of its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date in accordance with Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as described in Note 2 to the financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are

reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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.

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

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. These financial statements are prepared to assist the Holding Company, Tech Mahindra Limited to comply with the requirements of Section 129 of the Act / in the preparation of their Consolidated Financial Statements. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted or circulated, or referred to, in correspondence or discussion, in whole or in part or distributed to anyone other than the purpose for which it has been issued without our prior written consent.

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For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN No.: 21215165AAAABI2846

Place: Pune
Date: May 19, 2021

BALANCE SHEET AS AT 31 MARCH 2021

Amount in Euro

Balance Sheet	Note No.	31-Mar-2021	31-Mar-2020
ASSETS			
Non-Current Assets			
(a) Financial Assets			
(i) Investments	3	**39,275,058**	39,275,058
(ii) Other financial assets	4	**20,000,000**	-
Total Non-Current Assets		**59,275,058**	39,275,058
Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**148,446**	177,215
Total Current Assets		**148,446**	177,215
Total Assets		**59,423,504**	39,452,273
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	6	**81,730,024**	61,730,024
(b) Other Equity		**(22,399,748)**	(22,302,827)
Total Equity		**59,330,276**	39,427,197
Liabilities			
Non-current liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	7	**25,283**	25,076
(ii) Other Financial Liabilities		**67,945**	-
Total Current Liabilities		**93,228**	25,076
Total Equity and Liabilities		**59,423,504**	39,452,273
See accompanying notes forming part of the financial statements	1 to 14		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : May 19, 2021

Nikhil Sohoni
Director
Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director
Place : Milton Keynes
Date : May 19, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

Amount in Euro

Statement of Profit and Loss		Note No.	31-Mar-2021	31-Mar-2020
I	Revenue from Operations		-	-
II	Other Income		1,038	-
III	**Total Revenue (I +II)**		**1,038**	-
IV	**EXPENSES**			
	Other Expenses	8	30,013	26,070
	Finance Cost		67,945	
	Impairment of non-current investments	12	-	22,091,224
	Total Expenses		**97,958**	22,117,294
V	**Loss before Tax (III-IV)**		**(96,920)**	(22,117,294)
VI	**Tax Expense**			
	Current Tax		-	-
	Deferred Tax		-	-
	Total Tax Expense		-	-
VII	**Loss after tax (V-VI)**		**(96,920)**	(22,117,294)
VIII	**Other Comprehensive Income**			
A	I. Items that will not be reclassified to Profit or Loss			
	II. Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
B	I. Items that will be reclassified to Profit or Loss			
	II. Income Tax relating to items that will be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income (A+B)		-	-
IX	**Total Comprehensive Loss (VII + VIII)**		**(96,920)**	(22,117,294)
	Earnings per Equity Share (Face Value Euro 1) in Euro	10		
	Basic		**(0.001)**	**(0.482)**
	Diluted		**(0.001)**	**(0.482)**
	See accompanying notes forming part of the financial statements	1 to 14		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : May 19, 2021

Nikhil Sohoni
Director
Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director
Place : Milton Keynes
Date : May 19, 2021

STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

Amount in Euro

01-April-2019	Changes in equity share capital during the year	31-March-2020
61,730,024	-	61,730,024
01-April-2020	**Changes in equity share capital during the year**	**31-March-2021**
61,730,024	20,000,000	81,730,024

B. Other Equity -Reserves and Surplus - Retained Earnings

Amount in Euro

Particulars	31-March-2021	31-March-2020
Balance as at the beginning of reporting year	**(22,302,827)**	(185,532)
Loss for the Year	**(96,920)**	(22,117,294)
Other Comprehensive Income (net)		
Total Comprehensive Loss	**(22,399,748)**	**(22,302,827)**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : May 19, 2021

Nikhil Sohoni
Director

Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : May 19, 2021

CASH FLOW STATEMENT

Cash Flow Statement		31-Mar-2021	31-Mar-2020
A	**Cash Flow from Operating Activities**		
	Loss Before Tax	**(96,920)**	(22,117,294)
	Adjustments for :		
	Impairment of non-current investments (Refer Note 11)	**-**	22,091,224
	Interest on loan	**67,945**	
	Movement in working capital:		
	Trade Payable	**206**	1,705
	Cash Flow from Operations	**(28,769)**	(24,365)
	Income Tax Refund / (Paid) (net)	**-**	-
	Net Cash Flow from / (used in) Operating Activities (A)	**(28,769)**	(24,365)
B	**Cash Flow from Investing Activities**	**-**	-
	Share subscription money	**(20,000,000)**	-
	Net Cash (used in) Investing Activities (B)	**(20,000,000)**	-
C	**Cash Flow from Financing Activities**	**-**	-
	Proceeds from Issue of Equity Shares	**20,000,000**	-
	Loan received from Intercompany	**20,000,000**	-
	Loan repaid to Intercompany	**(20,000,000)**	-
	Net Cash Flow from Financing Activities (C)	**20,000,000**	-
	Net (decrease) in Cash and Cash Equivalents during the year	**(28,769)**	(24,365)
	Opening Cash and Cash Equivalents	**177,215**	201,580
	Cash and Cash Equivalents (Refer note below)	**148,446**	177,215
	Note:		
	Cash and Cash Equivalents Comprises of	**31-March-2021**	31-March-2020
	Balances with Banks :		
	In Current Accounts	**148,446**	177,215
		148,446	177,215

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.101248W/W-100022

For PF Holdings B.V.

Ashish Gupta
Partner
Membership No.: 215165
Place : Pune
Date : May 19, 2021

Nikhil Sohoni
Director

Place : Den Hague
Date : May 19, 2021

Mandar Bhairavkar
Director

Place : Milton Keynes
Date : May 19, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note

1 Corporate information

The Company was incorporated on April 29, 2016. The principal place of business of the Company is at 2516, CK, The Hague, Maanplein, 20, The Netherlands. The financial statements are expressed in EURO (EUR).

The principal activities of the Company are financing of the acquisition and constitution of the subsidiary company and enabling the shareholders to fulfill the terms of acquisition in documents including the further capitalisation of the subsidiary and the proposed mandatory tender offer in relation to acquisition of public shareholding of the subsidiary.

The Company is a 60% subsidiary of Tech Mahindra Limited (India).

The financial statements of the Company for the year ended March 31, 2021 were authorised for issue by the Board of Directors on May 19, 2021.

2 Significant accounting policies:

2.1 Statement of Compliance:

The special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as amended from time to time.

2.2 Basis of preparation of financial statements

These financial statements have been presented in Euro (EUR) which is the functional currency of the Company. These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Financial statements have been prepared as per section 129 (1) of the Act to assist the Tech Mahindra Limited (Parent Company) for preparation of consolidated financial statements and for the purpose of compliance with the provisions of section 129 and Section 136 read with Schedule III of the Companies Act, 2013

2.3 Use of estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Revenue recognition

Interest income is recognised using the effective interest rate method.

Dividend income is recognised when the Company's right to receive dividend is established.

2.7 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

2.8 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.9 Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

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 liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at fair value through profit and loss (FVTPL). Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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.

2.10 Taxes on income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the country.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognised to the extent 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 income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

2.11 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.12 Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Separate Financial Statements.”

2.13 Financial Guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

2.14 Leases:

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Since the Company had no leased premises as on April 1, 2020, there was no effect of adoption of Ind AS 116 on the Company.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment, including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.”

2.15 Critical accounting estimates

Impairment testing

“Investments in subsidiary is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating units to which these pertain is less than its carrying value. The recoverable amount of Cash Generating Units (CGU) is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Investments in subsidiaries are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss. For the period ended March 31, 2021 no impairment has been charged in books.”

2.16 New Accounting Standards yet to be adopted

The Ministry of Corporate Affairs (“”MCA””) notifies new standard or amendments to the existing standards. There are no such notifications that are applicable for the Company from April 1, 2021.

Note 3 : Investments : Non Current

Amount in Euro

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
In subsidiary- quoted		
41,342,165 Equity Shares of Euro 1 each fully paid-up of Pininfarina S.p.A. (Refer Note 8.b) (Refer Note 5)	**61,366,282**	61,366,282
Less: Provision for impairment of value of investment	**(22,091,224)**	(22,091,224)
Total	**39,275,058**	39,275,058

Note 4 : Other non current financial assets

Amount in Euro

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Share subscription money (refer note below)	**20,000,000**	-
Total	**20,000,000**	-

Note: During the current year, the Company infused an additional Euro 20 million in Pininfarina S.P.A. The subsidiary had not issued equity shares against the investment as on 31 March 2021 and the Company has disclosed the investment as share subscription money as on 31 March 2021.

Note 5 : Cash and Cash Equivalents

Amount in Euro

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Balances with banks		
In Current Accounts	**148,446**	177,215
Total	**148,446**	177,215

Note 6 : Equity Share Capital

Particulars	31-Mar-2021		31-Mar-2020	
	Number	**Amount in Euro**	Number	Amount in Euro
Authorised				
Equity shares of Euro 1/- each with voting rights	**65,840,125**	**65,840,125**	45,840,125	45,840,125
Issued, Subscribed and Paid up				
Balance as at beginning of reporting year	**45,840,125**	**61,730,024**	45,840,125	61,730,024
Shares Issued during the year	**20,000,000**	**20,000,000**	-	-
Adjusted : Issued, Subscribed Share Capital	**65,840,125**	**81,730,024**	45,840,125	61,730,024
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the year	**45,840,125**	**61,730,024**	45,840,125	61,730,024
Shares issued during the year	**20,000,000**	**20,000,000**	-	-
Total	**65,840,125**	**81,730,024**	45,840,125	61,730,024
Adjusted : Issued, Subscribed Share Capital	**65,840,125**	**81,730,024**	**45,840,125**	**61,730,024**

Note: i) Share capital includes a sum of Euro 15,889,899,(Number of shares: 15,889,899 of Euro 1 each) being financial guarantee given by Tech Mahindra Limited to the bankers of Pininfarina S.p.A., which has been accounted as equity contribution in accordance with Ind AS 109.

ii) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

iii) Capital Management: The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company currently consists of total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on an ongoing basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	**As at 31-May-2021**		As at 31-Mar-2020	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Limited	**39,504,075**	**60%**	27,504,075	60%
Mahindra & Mahindra Limited	**26,336,050**	**40%**	18,336,050	40%

i) Each Equity Share entitles the holder to one vote and carries an equal right to dividend.

Note 7 : Trade Payables

Amount in Euro

Particulars	**As at 31-Mar-2021**	As at 31-Mar-2020
Trade Payables	**25,281**	25,076
Total	**25,283**	25,076

Note 8 : Other Expenses

Amount in Euro

Particulars	**As at 31-Mar-2021**	As at 31-Mar-2020
Rates and taxes	**16,098**	15,998
Legal and other professional costs	**13,915**	9,764
Foreign Exchange (gain)/loss net	**-**	307
Total	**30,013**	26,070

Note 9: Related party transactions

9.a Details of related parties:

Description of relationship	**Names of related parties**
Holding Company	Tech Mahindra Limited
Shareholder having significant influence	Mahindra and Mahindra Limited
Subsidiary Company	Pininfarina S.p.A.
Fellow -subsidiary Company	MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

9.b Details of related party transactions during the year ended March 31, 2021 and balances outstanding as at March 31, 2021:

Particulars	**Holding Company**	**Shareholder having significant influence**	**Fellow -subsidiary Company**	**Subsidiary Company**	**Total**
Transactiones During the Year					
Loan Taken			20,000,000		20,000,000
			(-)		
Loan Repaid			20,000,000		20,000,000
			(-)		
Interest on Loan			67,945		67,945

Particulars	Holding Company	Shareholder having significant influence	Fellow -subsidiary Company	Subsidiary Company	Total
			(-)		
Issue of Equity shares	12,000,000	8,000,000			20,000,000
	(-)	(-)			
Reimbursement of expenses	17,465				17,465
	(15,095)				(15,095)
Share subscription money				20,000,000	20,000,000
				(-)	
Balances outstanding at the end of the year					
Investment (Net of provision for impairment)	-	-		39,275,058	39,275,058
	(-)	(-)		(39,275,058)	(39,275,058)
Other current assets (Refer note 12)				-	
				(-)	
Payable Balance on account of reimbursement of expenses	17,465				17,465
	(15,095)	(-)	(-)	(-)	(15,095)
Interest on Loan				67,945	67,945
				(-)	(-)
Previous years figures are in brackets.					

Note 10: Earnings Per Share is calculated as follows:

Amount in Euro

Particulars	**As at 31-Mar-2021**	As at 31-Mar-2020
Loss after taxation	**(96,920)**	(22,117,294)
Equity Shares outstanding as at the end of the year (in nos.)	**65,840,125**	45,840,125
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	**65,840,125**	45,840,125
Nominal Value per Equity Share (in EUR)	**1**	1
Earnings Per Share:		
Earnings Per Share (Basic) (in EUR)	**(0.001)**	(0.482)
Earnings Per Share (Diluted) (in EUR)	**(0.001)**	(0.482)

11 Financial Instruments and Risk Review

The Company’s activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors.Following are the financial risk factors.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

(b) Liquidity Risk:

Liquidity risk refers to the risk that the company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement.

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2021.

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	25,283	-	-	-
Financial liabilities	67,945			
Total	**93,228**	**-**	**-**	**-**

The table below provides details regarding the contractual maturities of significant financial liabilities as on March 31, 2020:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above
Trade Payables	25,076	-	-	-
Financial liabilities	-			
Total	**25,076**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

Particulars			Amount in Euro
	Amortised cost	**Carrying value**	**Fair value**
Assets:			
Cash and cash equivalents	148,446	148,446	148,446
	148,446	**148,446**	**148,446**
Liabilities:			
Trade and other payables	25,283	25,283	25,283
Financial liabilities	67,945		
	93,228	**25,283**	**25,283**

The carrying value and fair value of financial instruments by categories as of March 31, 2020 is as follows:

Particulars			Amount in Euro
	Amortised cost	**Carrying value**	**Fair value**
Assets:			
Cash and cash equivalents	177,215	177,215	177,215
	177,215	**177,215**	**177,215**
Liabilities:			
Trade and other payables	25,076	25,076	25,076
Interest on intercompany loan	-		
	25,076	**25,076**	**25,076**

12 The Company has an investment in subsidiary ‘Pininfarina S.p.A. This investment is accounted for at cost less impairment. Management assesses the operations of the subsidiary, including the future projections, to identify indications of diminution, other than temporary, in the value of the investment recorded in the books of account.

In case impairment triggers are identified, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss. With respect to determination of recoverable amount of investment based on fair value less costs of disposal, the fair value measurement of the asset is determined using the market approach and is categorised as Level 1 in the fair value hierarchy. Estimates of future cash flows used in the value in use calculation are specific to the entity based on business plans and need not be the same as those of market participants.

The share price of the subsidiary and the relevant economic and market indicators in its country of operation, did not require to the Company to reassess recoverable amount of investment in the subsidiary, as on March 31, 2021.

Consequently, the Company has not recognized any impairment loss for the year ended March 31, 2021 (March 31, 2020: Euro 22,091,224).

13 The Company had no contingent liabilities outstanding as on the balance sheet date.

14 The Company is a holding company and accordingly, there are no separate business segments.

15 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For B S R & Co. LLP	**For PF Holdings B.V.**	
Chartered Accountants		
Firm Registration No.101248W/W-100022		
Ashish Gupta	**Nikhil Sohoni**	**Mandar Bhairavkar**
Partner	Director	Director
Membership No.: 215165		
Place : Pune	Place : Den Hague	Place : Milton Keynes
Date : May 19, 2021	Date : May 19, 2021	Date : May 19, 2021

BOARD OF DIRECTORS

Chairperson *	Paolo Pininfarina
Chief Executive Officer	Silvio Pietro Angori (4)
Directors	Manoj Bhat
	Romina Guglielmetti (2) (3)
	Chander Prakash Gurnani
	Jay Itzkowitz (1) (2) (3)
	Licia Mattioli (1)
	Sara Miglioli (2)
	Antony Sheriff (1)

(1) Member of the Nomination and Remuneration Committee

(2) Member of the Control and Risk Committee

(3) Member of the Committee for Transactions with Related Parties

(4) Responsible for the Internal Control and Risk Management System

Board of Statutory Auditors

Chairman	Massimo Miani
Standing Statutory Auditors	Antonia Di Bella
	Alain Devalle
Alternate Statutory Auditors	Luciana Dolci
	Fausto Piccinini

Secretary to the Board of Directors and Manager in charge of

financial reporting	Gianfranco Albertini
Independent Auditors	KPMG S.p.A.

***Powers**

Pursuant to article 22 of the bylaws, the Chairman is the parent’s legal representative vis-à-vis third parties and in court proceedings.

Market performance

In 2020, the global automotive market was negatively affected by two related factors:

- the difficulties that came to light in 2019, which continued into 2020, with falling sales volumes and the subsequent strong pressure on profitability throughout the automotive supply chain;
- the difficulties caused by the spread of the Coronavirus worldwide as from February 2020.

Specifically, car manufacturers, involved in major investments in new technologies (electric cars in particular), reduced their expenditure earmarked for the development of traditional cars. At the same time, the electric car sector's start-ups found it difficult to raise the funds necessary to develop new vehicles and were consequently forced to scale back their initial projects or abandon them. The difficulties caused by the spread of Covid-19 augmented this already tough situation. The development of new products slowed down again while almost all companies faced serious liquidity problems caused by the collapse of car sales that negatively affected the entire supply chain.

Pininfarina Group, the Coronavirus and the reference market

The group companies and their markets were affected by the combination of the above effects to different degrees.

The Chinese operations, run by Pininfarina Shanghai, were heavily affected by the public health emergency, especially in the first five months of the year. The situation has gradually improved starting from June, partly thanks to government incentives aimed at restoring normal conditions in the sector as quickly as possible.

Pininfarina Engineering S.r.l. saw a drastic contraction in its project development activities during the year and it also continued to find it difficult to agree contracts with sufficient profit margins to cover its costs, due to the reduction in international demand for its services (seen since the second half of 2019) and the concurrent drop in market prices. In October 2020, given the company's current and forecast inability to restore its financial position and financial performance and in order to prevent its financial deficit from worsening further, the subsidiary's quotaholders resolved to wind it up.

The German market, where Pininfarina Deutschland operates, saw a steady reduction in OEM's demand for engineering services as well as the delay/cancellation of projects that had already been approved. As a result of the drop in demand for services and in prices, which is considered to be a permanent rather than a temporary issue caused by the Coronavirus pandemic, the company rolled out a redundancy plan involving the gradual exit of about 20% of its workforce.

The architecture and industrial design sectors, managed by Pininfarina of America in the US market, have not been negatively affected by the Coronavirus.

During the year, Pininfarina S.p.A.'s performance differed depending on the service it rendered. Its wind tunnel activities were drastically curtailed due to the impossibility of carrying out tests in the presence of customers for most of the first half of the year (because of the lock-down in Italy) and subsequently due to the travel restrictions imposed by other countries or company policies adopted by customers. Workshop activities were also shuttered for a few months by the government measures. The situation is gradually improving although the operations remain significantly lower than before the pandemic.

Other operations, e.g., architecture, design and industrial design, were mostly not affected by the restrictions imposed by the Coronavirus pandemic compared to the related forecasts.

Covid-19 pandemic management measures

At the onset of the public health emergency, the parent, Pininfarina S.p.A., established a Covid-19 committee responsible for assessing and deciding on all of the measures to be taken by the group companies to address issues related to their workers' health and management of their business. Specifically, from February to May (and subsequently when necessary), the committee met on a bi-weekly basis, to define all the measures required to comply with the regulations issued from time to time by the government (sanitisation of the work premises, availability of personal protection equipment, organisation of video conferences, suspension of all business trips, specific rules for the use of the canteen, social distancing, etc.). With the start of the lock-down period (on different dates depending on the individual country) substantially all activities were continued remotely (the only exception being the activities in the workshops and the wind tunnel in Italy which were suspended). Following the reopening of the offices and facilities (May and June), the employees' presence in the office has been limited as much as possible, accounting for approximately 35% of the total workforce (Italian companies). In the second half of the year, remote working was encouraged as much as possible, depending on the activities to be carried out, involving an average of 25% of employees on a revolving basis.

The costs incurred by the Group to purchase materials and to comply with the public health emergency safety regulations amounted to approximately €0.1 million.

Cash flows

The Group's cash and cash equivalents rose by €8.4 million during the year, whereas its bank overdrafts fell by €2.3 million. The non-current bank loans and borrowings decreased by approximately €1.9 million.

As mentioned in the 2020 interim reports, Pininfarina S.p.A. signed a €20 million loan agreement with the Mahindra Group in February 2020 which increased the funds available for all its Group's potential requirements, including those possibly deriving from changes in the business imposed by the spread of the Coronavirus. The loan (never used) was replaced by an irrevocable capital injection from the majority shareholder for future capital increases disbursed in November 2020.

Thanks to the above capital injection, the parent's and Group's liquidity increased compared to the previous year end, despite the cash outflows principally caused by the redundancy and corporate reorganisation plans implemented in Italy.

Neither the parent, Pininfarina S.p.A., nor its subsidiary Pininfarina Engineering S.r.l. in liquidation availed themselves of the loans provided for by the measures approved by the Italian government to support companies or granted by banks. The subsidiary Pininfarina of America Corp. received a bank loan of roughly €0.2 million as part of the measures introduced by the Small Business Administration to tackle the effect of the pandemic in the United States.

Pininfarina S.p.A.'s financial debt

The parent has continued to meet its obligations, without undue distress, including those under the debt rescheduling agreement (2016-2025) with certain banks. Such agreement provides for just one financial covenant (consolidated equity at a minimum of €30 million), compliance with which is assessed at 31 March each year up until repayment of the loan. At 31 March 2020, the covenant had been complied with and, although irrelevant for contractual purposes, it is still complied with at the reporting date. Should the minimum equity threshold not be complied with, the agreement would not be automatically terminated, as it provides for specific remedies and the lending banks can also waive their right to take action. The Mahindra Group has provided a surety that is enforceable if the parent fails to meet its obligations under the rescheduling agreement.

Pininfarina Group's financial performance and financial position

The Group recognised revenue of €67 million for 2020, a 26% decrease on the previous year regarding all companies/segments with the exception of the design and architecture services provided by Pininfarina of America on the US market.

The gross operating loss rose to €7.1 million from €1.7 million in 2019, due to the drop in revenue and sales prices caused by trends in the automotive segment, as mentioned above.

The operating loss came to €21.5 million compared to €19.4 million in 2019. In addition to the increase in the gross operating loss, the 2020 operating loss is due to the impairment losses of €1.8 million recognised on buildings and other assets as a result of the impairment test, in order to bring their carrying amount into line with their recoverable amount. Moreover, the Group made net accruals of €6.5 million to the restructuring provision and recognised other impairment losses of €5.2 million. These accruals and impairment losses were partially offset by the utilisation of the provision for losses to complete contracts (€3.1 million). In 2019, the Group reduced a facility's carrying amount to its fair value (by €4.0 million) and that of other assets to their recoverable amount (by €5.2 million).

Net financial expense increased to €1.9 million from €1.5 million for 2019. The worsening is mainly due to the fact that the parent did not recognise any financial income on investments of liquidity in 2020.

The Group recognised a tax expense of €1 million, principally due to the reversal of the deferred tax assets recognised by the Pininfarina Deutschland Group, compared to €2.2 million in the previous year, which was mostly affected by the reversal of the deferred tax assets recognised by the Italian companies in 2018.

As a result of the above, the Group recorded a loss for the year of €24.4 million compared to a loss of €23.1 million for the previous year.

Equity decreased by €4.8 million to €34.2 million at the reporting date, principally due to the positive difference between the loss for the year and the capital injection for future capital increases provided by the majority shareholder.

The net financial debt of €12 million at 31 December 2019 improved to a net financial position of €2.4 million at the reporting date, mainly due to the above-mentioned capital injection received from the Mahindra Group.

The workforce numbered 639 at the reporting date (31 December 2019: 672; -5%). A breakdown by business segment and by geographical segment is provided below.

Business segment

	Engineering	Design	General staff	TOTAL
2020	308	237	94	639
2019	344	220	108	672

Geographical segment

	Italy	Germany	China	USA	TOTAL
2020	373	215	38	13	639
2019	373	242	42	15	672

Support and relief measures

In accordance with ESMA recommendations (Public Statement 32-63-972 of 20 May 2020), the support and relief measures already enjoyed or that will be enjoyed by the Group are summarised below:

- in Italy, the Covid-19-government-sponsored lay-off scheme for 221 employees for a total of 52,570 hours;
- in Germany, the government-sponsored lay-off scheme (Kurzarbeit) for 65 workers for a total of 41,557 hours;
- in the US, the subsidiary Pininfarina of America Corp. received a loan of approximately €0.2 million, bearing interest at 1% p.a. and repayable in 18 monthly instalments starting from January 2021.

The Group plans to continue to use the social shock absorbers made available by the government in Italy.

Pininfarina S.p.A.

Significant events of the year

No other significant events took place during the year.

Human resources and the environment

During 2020:

- the Group implemented some procedures of the Covid-19-government-sponsored lay-off scheme;
- with reference to the Cambiano facility, the Group implemented two procedures as per Law decree no. 104 of 14 August 2020 offering termination benefits to a total of ten employees;
- with reference to the Bairo facility, the Group signed a trade union agreement before the relevant ministry for an extraordinary government-sponsored lay-off scheme due to discontinuation of activities for the entire year. In October 2020, it replaced it with a Covid-19-government-sponsored lay-off scheme;
- there were no deaths in the workplace and there was just one accident during the commute to/from work leading to occupational injury leave of less than 15 days. The procedure for an accident during the commute to/from work entailing occupational injury leave of more than 10 days that occurred in 2019 was reopened. The parent was not found liable for occupational diseases contracted by employees or former employees or mobbing;
- the parent reached agreements regarding remuneration issues with former employees and no cases were brought against the parent for financial and/or physiological damage (e.g., personal injuries, moral damage, hedonic damage, etc.).

After the start of its winding-up procedure at the end of October 2020, on 2 November 2020, Pininfarina Engineering S.r.l. in liquidation commenced a collective redundancy procedure for business discontinuation. After negotiations with the trade unions, an agreement was reached for a 12-month extraordinary government-sponsored lay-off scheme due to business discontinuation (until 31 October 2021) and the implementation of an accompanying social plan.

With reference to investments in safety in the workplace and the environment, the parent pays utmost attention to the continuous upgrading and/or improvement of operating layouts and machinery/equipment in line with relevant legislation. Expected investments for 2021 amount to roughly €750,000.

In general, protecting the environment and health and safety in the workplace are considered essential to achieve company objectives.

Further to the agreement (31 December 2009) to sell the Grugliasco facility to Sviluppo Investimenti Territorio S.r.l. (SIT), an environmental audit was carried out in 2011 on the site where the facility stands. It found that the hydrocarbons parameter in one small area exceeded the legal limit. The parent immediately commenced the reclamation procedures provided for by the environmental legislation. A dispute commenced with the Grugliasco local authorities during their approval of the risk analysis, as they requested that the analysis be extended to the entire facility, which they erroneously believed to be "abandoned". A hearing had been set for 18 November 2019 for the appeal pending before the Italian council of state. With its ruling no. 8170/2019, the council of state dismissed the appeal due to lack of interest, given Pininfarina S.p.A.'s willingness to become proactive, carrying out the reclamation activities as a non-accountable party (article 245 of Legislative decree no. 152/2006 as subsequently amended). Indeed, in 2018, Pininfarina S.p.A. had presented a site characterisation plan to the Grugliasco local authorities as an "interested" but not accountable party following the change in the facts and judicial grounds of the legal dispute. The local authorities approved the plan and calculated the costs to be borne by SIT for the activities that could have prevented the site's characterisation. The procedure is at an advanced stage. On 11 February 2020, executive order no. 106 was issued approving the site's risk assessment report with certain remedies, including the preparation of the reclamation operational plan to be sent to the local authorities. The remedies were implemented, including the filing of the operational plan on 17 December 2020.

In December 2019, SIT sued the parent before the Turin Court for alleged damage caused by the sale of the site in 2019 at an unfair price. The parent appeared in court requesting the dismissal of the claim. The case is currently pending.

Pininfarina S.p.A. has a 2015 UNI EN ISO 14001-certified environmental management system. A notified body carried out the periodic check of the system's compliance in the Italian facilities in 2020, finding it compliant.

Research

The Group did not carry out any research during the year, also considering the current economic conditions.

Going concern issues in the light of the Covid-19 pandemic

The estimated effects of Covid-19 for 2020

In 2020, the Group was affected by downturns in activities and/or cancellations of orders due to the Coronavirus (especially on the Chinese market and for certain services provided in Italy). The estimated effect of Covid-19 on consolidated revenue is a reduction of about €6.5 million compared to pre-Coronavirus forecasts. As mentioned above, the impact of the public health emergency on the various markets varies. Approximately 89% of the decrease is attributable to the Chinese market (where the lock-down affected most of the first half of the year), whereas roughly 11% is related to the Italian services offered to various markets and customers that the Group was unable to provide as a result of the lock-down period imposed in Italy, the border closures and certain customers' internal policies imposing a travel ban that all prevented the performance of commercial and operating activities. Taking into account the estimated effects already incurred in 2020, the outlook for the entire 2021 does not currently anticipate additional adverse impacts caused by Covid-19.

The decrease in revenue due to the Coronavirus, as detailed above, led to losses of approximately €2.2 million affecting the Group's operating loss for 2020 compared to the expected loss.

Group's performance, outlook and going concern issues

As mentioned earlier, the performance of the sectors/markets in which the Group operates is adversely affected by the simultaneous existence of two overlapping problems:

- the continuation of the negative economic cycle of the global automotive industry;
- the Covid-19 pandemic, which exacerbated the sluggish conditions of the Group's reference market, slowing down the acquisition of new contracts and/or reducing expected contract profit margins.

The impacts of the automotive sector's negative cycle on the Group's financial position and performance began in the second half of 2018 with an acceleration of this negative trend a year later. With the spread of the Covid-19 pandemic, starting from the end of the first quarter of 2020, the above trend was amplified and it is now generally accepted that a return to market conditions similar to the pre-Covid-19 period (more stable and profitable) will not occur in the next two/ three years.

In this environment of weak reference markets and given the expectations about their future performance, the parent is tackling three closely related issues:

- maintaining an appropriate level of liquidity for the Group's requirements;
- protecting the capitalisation level required by the law and bank agreements;
- creating the conditions for restoring profitability as soon as possible.

With reference to the liquidity issue, at the beginning of 2020, the parent received a €20 million loan from its majority shareholder, PF Holdings B.V., usable by the Group for any financial requirements. As discussed earlier, the loan (never used) was replaced by an irrevocable capital injection from the majority shareholder for future capital increases disbursed in November 2020. Thanks to the above capital injection, the parent's and Group's liquidity at the reporting date increased compared to the previous year end, despite the cash outflows principally caused by the redundancy and corporate reorganisation plans implemented in Italy. To further improve the Group's liquidity, the subsidiary Pininfarina Deutschland Holding GmbH sold one of its buildings for €5.1 million, €1 million of which was received in 2020, while the remainder was to be paid in February 2021. In December 2020, the German subsidiary used the proceeds from the sale to extinguish a short-term credit line. Considering the nature of the Group's customers, there are no particular collection issues as there are no past due amounts which may affect the Group's cash flows from operating activities. In the foreseeable future, the following should be taken into account: the parent's net financial position amounts to €4.7 million, comprising cash and cash equivalents and financial assets of €27.3 million and loans and borrowings of €3.7 million, whose current portion amounts to €3.7 million. The Group's net financial position amounts to €2.4 million at the reporting date. According to the 12-month cash budget prepared by the directors, the parent's and Group's financial resources at the reporting date are adequate to cover the expected operating cash outflows, which are expected to exceed inflows again in 2021, as well as the outlays necessary to complete the winding up procedure of Pininfarina Engineering S.r.l. in liquidation, to implement the parent's planned restructuring measures and to repay the current portion of loans and borrowings when they become due. The cash flow projections prepared by the directors take into account the potential proceeds from the possible subscription of the proposed capital increase, which are estimated to be an additional approximate €6 million, including from the market. In a worst-case scenario, without taking into account the as yet uncollected proceeds from the forthcoming capital increase, the Group's cash and cash equivalents are presently believed to be sufficient to meet the currently foreseeable financial requirements for the next 12 months.

In order to comply with the requirements of the Italian Civil Code governing share capital protection, the parent must monitor its equity at consolidation level closely. Indeed, the only financial covenant provided for by the existing debt restructuring agreement is a minimum level of €30 million. As mentioned earlier, in order to strengthen the parent's financial position, in November 2020, the majority shareholder, PF Holding BV, irrevocably injected €20 million into the parent for future capital increases. Specifically, the injection is necessary for the capital increase announced by the Board of Directors that should be carried out in the first half of 2021. Upon completion of the capital increase, the parent expects that its equity will increase by roughly €6 million in addition to the €20 million mentioned above, following the possible subscription of shares by the market. Considering the increase in equity resulting from the proposed capital increase, as well as the parent's and Group's forecast performance on a going concern basis, their capitalisation levels are suitable and sufficient to comply with the financial covenant at the next assessment date of 31 March 2021. Moreover, the Mahindra Group has provided a surety that is enforceable if the parent fails to meet its obligations under the rescheduling agreement.

Based on the assessment dates planned for the 12 months after the reporting date, the Group's capitalisation level is deemed to be adequate, even in a worst-case scenario that does not consider the possible proceeds from the capital increase raised on the market.

In order to tackle their performance issues and return to a profit-making position, considering the market performance of the last two years and currently foreseeable outlook, the parent and the Group have adopted the following measures:

- winding-up of the subsidiary Pininfarina Engineering S.r.l., given the market conditions and its no longer sustainable performance. The procedure affected 135 employees;
- implementation of a redundancy plan for Pininfarina Deutschland GmbH, involving 46 people (approximately 20% of its workforce);
- reduction of the number of direct and indirect staff working at Pininfarina S.p.A. in 2020, in order to bring the professional skills and number of resources into line with the current market requirements;
- implementation of a plan to reduce operating expense and overheads for all group companies, also by increasing resort to outsourcing in some cases;
- development of new commercial projects to better enhance the potential of the group services to meet the continuous changes in market demand.

On 18 December 2020, via a referendum, the majority of the employees of Pininfarina Engineering S.r.l. in liquidation voted in favour of the proposed agreement with the company, which signed the related collective redundancy agreements with the relevant trade unions.

A restructuring provision has been recognised to fully cover the obligations reasonably foreseeable to date on the basis of the collective trade union agreements, the legal requirements, the individual agreements signed and, given the usual outcome of these procedures, the possible refusal to participate in the plan envisaged by the collective agreements by employees who oppose the agreement.

As part of the redundancy plan for Pininfarina Deutschland GmbH, involving 46 people, the subsidiary has already signed most of the individual agreements stipulating the related financial terms.

Cost cutting will continue in the near future, in line with the ban on dismissals currently imposed by Italian legislation.

The current market situation, which reflects social difficulties that are well known throughout the world, is one of the most difficult in recent decades, particularly in the market sectors in which the Pininfarina Group operates. The demand for services continues to be strong in some segments (design-related activities) and much less so in others (pure engineering based on technical deliverables). There is a visible steady decline in the prices offered in all market segments. In order to deal with this situation, the parent is rapidly redirecting its available resources towards those activities considered most likely to generate profits. Indeed, upon completion of the cost containment and personnel redundancy plans mentioned above that the Group has already launched, together with the completion of the remaining planned measures, the parent and the Group will have a new strategic profile, focused on the design sector, which is considered to have greater potential in terms of profitability and volumes in the medium term.

The current dramatic pandemic situation and the turbulence in the automotive market are having a negative impact on the medium-term outlook. Nevertheless, the Group is making every effort to be ready to seize market opportunities, which will inevitably be better than the current ones, once the pandemic ends.

In this scenario, the directors have drawn up forward-looking scenarios, taking into account the estimated sales volumes on the basis of discussions with the main customers, the current order backlog and a prudent estimate of its changes in the medium term. The projected costs take into account the new post-restructuring cost positioning, the streamlining of internal resources aimed at eliminating inefficiency in the revised group structure and the use of outsourcing at competitive prices of part of the engineering activities in the design and engineering market served by the German subsidiary, as a means of further reducing costs and consequently increasing profit margins. These scenarios show that the restructuring and refocusing actions undertaken by the Group will still require the use of operating cash flows in the short term and that financial stability will be restored in the medium term, in tandem with an expected partial upswing in sales volumes, which are expected to remain at current levels at least in the near future. The Group's ability to continue as a going concern will require significant efforts in terms of sales volumes, cost containment and costs to win future contracts given the situation outlined above.

According to the directors, given the issues described above, there is significant uncertainty about the achievement of the production volumes and profitability goals underlying the projections, as they depend on the recovery of the markets in which the Group and the parent operate in the medium term and the success of the actions taken to create the conditions for them to return to financial stability. This uncertainty may cast material doubts as to their ability to continue as going concerns.

Notwithstanding the above, the directors deem that all measures to limit operating cash outflows and all possible measures to contain costs have been implemented. They have assessed existing and prospective projects based on commercial relationships with customers, which show that the pre-Coronavirus targets are achievable in the next few years, as well as the Group's available financial resources. After having carried out all relevant checks and evaluated the above uncertainty, management reasonably expects that the parent and the Group have sufficient resources available to continue their operations for the foreseeable future, as provided for by the IFRS. Due to the above reasons, the directors deem it correct to prepare this annual financial report on a going concern basis.

2020 performance by business segment

Design segment

In addition to the revenue from the automotive and non-automotive design activities of all kinds, this segment includes revenue from architecture services, royalties for the use of the Pininfarina trademark, revenue from aerodynamic and aeroacoustics services and the costs arising from the parent's property management. It recognised revenue of €44.6 million, down by roughly 18% on the €54.7 million recognised in 2019.

Its operating loss came to €6.2 million, a slight improvement compared to €14.1 million for 2019, mainly thanks to a decrease in impairment losses and accruals to provisions compared to the previous year. The segment recorded smaller volumes and profits from the Chinese operations and wind tunnel services (due to the spread of Covid-19) and smaller royalties for the Mahindra Group's use of the trademark, as contractually provided for.

Engineering segment

This segment, comprising the Italian and German engineering businesses, recognised revenue of €22.4 million (€35.7 million in 2019, down by 37%).

Its operating loss came to €10.2 million, compared to €5.3 million for 2019. The downturn is due to the general contraction in revenue in Italy and Germany and the related profitability issues that led to the decision to wind up Pininfarina Engineering S.r.l., as discussed earlier.

Group companies

Pininfarina S.p.A.			
€'million	31.12.2020	31.12.2019	Variation
Revenue	39.1	47.3	(8.2)
Operating loss	(28.7)	(14.3)	(14.4)
Loss for the year	(29.9)	(16.5)	(13.4)
Net financial position (debt)	4.7	(6.6)	11.3
Equity	45.2	55.3	(10.1)
Employees (no.)	246	232	14

Pininfarina Engineering S.r.l. in liquidation			
€'million	31.12.2020	31.12.2019	Variation
Revenue	13.5	21.9	(8.4)
Operating loss	(9.7)	(4.3)	(5.4)
Loss for the year	(9.8)	(4.9)	(4.9)
Net financial position	0.3	1.0	(0.7)
Equity	9.0	12.2	(3.2)
Employees (no.)	127	141	(14)

Pininfarina Deutschland Group			
€'million	31.12.2020	31.12.2019	Variation
Revenue	16.2	22.9	(6.7)
Operating loss	(3.2)	(1.1)	(2.1)
Loss for the year	(4.2)	(1.3)	(2.9)
Net financial debt	(4.0)	(7.3)	3.3
Equity	11.4	15.7	(4.3)
Employees (no.)	215	242	(27)

Pininfarina Shanghai Co. Ltd			
€'million	31.12.2020	31.12.2019	Variation
Revenue	5.2	8.9	(3.7)
Operating profit (loss)	(0.2)	0.3	(0.5)
Profit (loss) for the year	(0.2)	0.3	(0.5)
Net financial position	0.4	0.9	(0.5)
Equity	1.2	1.9	(0.7)
Employees (no.)	38	42	(4)

Pininfarina of America Corp.			
€'million	31.12.2020	31.12.2019	Variation
Revenue	2.7	2.3	0.4
Operating profit (loss)	0.1	(0.1)	0.2
Profit (loss) for the year	0.1	(0.1)	0.2
Net financial position	0.9	0.1	0.8
Equity	1.5	1.5	0.0
Employees (no.)	13	15	(2)

Other information

During the period from the reporting date to the date of preparation of this report, none of the group companies has approved the distribution of dividends to Pininfarina S.p.A..

Reference should be made to the “General information” section of the notes for details on branches.

The parent does not hold shares of its ultimate parent; reference should be made to note 13 for details on treasury shares.

Reference should be made to the “Financial risk management” section for the disclosure required by article 2428.6-bis.a)/b) of the Italian Civil Code.

Related party transactions are detailed in the “Other information” section of the notes to the separate financial statements of Pininfarina S.p.A. and the consolidated financial statements of the Pininfarina Group.

Report on corporate governance and ownership structure

With reference to article 123-bis.3 of the Consolidated Finance Act, the information on the adoption of the codes of conduct (Report on corporate governance and ownership structure) is available in the “Investor Relations” section of the parent’s website (www.pininfarina.com) as well as through the other methods provided for by current legislation.

Remuneration report

With reference to article 84-quater of the Issuers’ Regulation, the remuneration report will be available in the “Investor Relations” section of the parent’s website (www.pininfarina.com) as well as through the other methods and within the timeline provided for by current legislation.

Consolidated non-financial statement

Pursuant to the obligation introduced by Legislative decree no. 254/2016 about the presentation of a consolidated non-financial statement, this statement is available in the “Investor Relations” section of the parent’s website (www.pininfarina.com) as well as through the other methods provided for by current legislation.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION OF THE PININFARINA GROUP

Financial performance

Including the revenue from contract with customers and royalties, revenue decreased by €19.8 million to €65.5 million from €85.3 million in the previous year. The change in finished goods was a positive €11 thousand (negative €17 thousand in 2019). Other revenue and income dropped to €1.5 million from €5.1 million in the previous year and mainly comprise the lease income from a building in Germany.

2020 consolidated revenue decreased by 25.9% to €67 million from €90.4 million in the previous year. The decrease is mostly due to the reduced volumes in all segments, except for the design and architecture services provided to the US market. A breakdown of revenue by business segment is given later on. Net gains on the sale of non-current assets totalled €0.9 million in 2020 and mostly related to the sale of a building by Pininfarina Deutschland Holding GmbH.

Operating expense, including changes in inventories, came to €25.9 million (€37.1 million in 2019).

Value added fell by €11.2 million to €42.1 million from €53.3 million in the previous year.

Labour cost amounted to €49.1 million (€55 million in the previous year).

The gross operating loss amounted to €7.1 million, down significantly from the €1.7 million gross operating loss for the previous year, mainly due to the smaller contribution of the group companies following the drop in revenue and sales prices in the automotive segment.

Amortisation and depreciation amounted to €4.1 million with a decrease of €0.8 million (€4.9 million for 2019). Additions to/utilisation of provisions and impairment losses came to a negative €10.4 million (compared to a negative €12.7 million for 2019). Specifically, additions (net of utilisations and changes in estimates) were €3.5 million (€3.5 million for 2019) and impairment losses came to €6.9 million (€9.2 million in 2019).

The decrease in amortisation and depreciation is mainly related to the impairment losses recognised by the parent in 2019. Additions to provisions chiefly relate to the restructuring provision (€6.5 million), while impairment losses of €1.8 million resulted from the impairment test, in addition to the impairment loss of €5.2 million recognised on foreign withholding tax assets, net of the utilisation of the provision for losses to complete contracts (€3.1 million).

As a result, the Group recognised an operating loss of €21.5 million (€19.4 million in 2019).

Net financial expense increased to €1.9 million from €1.5 million in the previous year. The worsening is mainly due to the fact that, in 2019, the parent recognised a gain on current assets held for trading. The Group recognised an income tax expense of €1 million, principally due to the impairment of deferred tax assets in Germany, compared to €2.2 million in the previous year.

The loss for 2020 came to €24.4 million compared to €23.1 million for the previous year.

Reclassified income statement

(€'000)

	2020	%	2019	%	Variation
Revenue from sales and services	65,485	97.74	85,301	94.36	(19,816)
Change in finished goods	11	0.02	(17)	(0.02)	28
Other revenue and income	1,500	2.24	5,114	5.66	(3,614)
Revenue	**66,996**	**100.00**	**90,398**	**100.00**	**(23,402)**
Net gains (losses) on the sale of non-current assets	**948**	**1.42**	**(34)**	**(0.04)**	**982**
Materials and services (*)	(25,946)	(38.74)	(37,076)	(41.01)	11,130
Change in raw materials	78	0.12	(32)	(0.04)	110
Value added	**42,076**	**62.80**	**53,256**	**58.91**	**(11,180)**
Labour cost (**)	(49,148)	(73.36)	(54,996)	(60.83)	5,848
Gross operating loss	**(7,072)**	**(10.56)**	**(1,740)**	**(1.92)**	**(5,332)**
Amortisation and depreciation	(4,106)	(6.12)	(4,918)	(5.45)	812
(Additions to)/utilisation of provisions and impairment losses	(10,370)	(15.48)	(12,711)	(14.06)	2,341
Operating loss	**(21,548)**	**(32.16)**	**(19,369)**	**(21.43)**	**(2,179)**
Net financial expense	(1,941)	(2.90)	(1,469)	(1.62)	(472)
Share of profit (loss) of equity-accounted investees	13	0.02	(2)	0.00	15
Loss before taxes	**(23,476)**	**(35.04)**	**(20,840)**	**(23.05)**	**(2,636)**
Income taxes	(962)	(1.44)	(2,235)	(2.48)	1,273
Loss for the year	**(24,438)**	**(36.48)**	**(23,075)**	**(25.53)**	**(1,363)**

(*) Materials and services are net of utilisations of the provisions for product warranties and risks (€227 thousand and €60 thousand for 2019 and 2020, respectively).

(**) Labour cost is net of utilisations of the restructuring provision (€184.5 thousand and nil for 2019 and 2020, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the consolidated financial statements with those in the reclassified schedules is provided below:

- Materials and services include raw materials and components, other variable production costs, external variable engineering services, exchange gains and losses and other expenses.
- Amortisation and depreciation comprise amortisation of intangible assets and depreciation of property, plant and equipment and investment property.
- (Additions to)/utilisation of provisions and impairment losses include additions to/utilisation of provisions, impairment losses and inventory write-downs
- Net financial expense comprises net financial income (expense) and dividends.

Financial position

Net capital requirements at 31 December 2020 decreased by €19.2 million on the previous year end, mainly due to a reduction in net non-current assets and working capital requirements.

Specifically:

net non-current assets totalled €43 million, down by €10.2 million on 31 December 2019, comprising a decrease of €0.5 million in intangible assets (impairment losses of €0.6 million, additions of €0.1 million and amortisation of €0.1 million), of €7.5 million in property, plant and equipment (impairment losses of €1.8 million and reclassification of assets held for sale of €5.2 million, net of increases and depreciation for the year) and of €2.2 million in right-of-use assets (assets derecognised by Pininfarina Engineering S.r.l. in liquidation in accordance with IFRS 16, impairment losses of €0.2 million, in addition to depreciation and increases for the year);

working capital fell by €10 million to a negative €7.9 million from a positive €2.1 million at 31 December 2019;

post-employment benefits amounted to €3.2 million, down €1 million on the prior year end (€4.2 million), mostly due to the reclassification of the benefits of Pininfarina Engineering S.r.l. in liquidation to current liabilities;

capital requirements were funded by:

- a €4.8 million decrease in equity, which went from €39 million at 31 December 2019 to €34.2 million at 31 December 2020. The decrease is mainly attributable to the capital injection for future capital increases, net of the comprehensive expense for the year;
- net financial position of €2.4 million, up from the net financial debt of €12 million recognised at 31 December 2019, mainly due to the capital injection for future capital increases and working capital trends.

Reconciliation between the parent's loss and equity and consolidated loss and equity

The parent's loss and equity as at and for the year ended 31 December 2020 are reconciled with the Group's relevant figures below:

	Loss for the year		Equity	
	2020	**2019**	**31.12.2020**	**31.12.2019**
Pininfarina S.p.A.'s separate financial statements	(29,940,143)	(16,549,396)	45,184,866	55,269,263
- Subsidiaries' contribution	(12,005,326)	(6,025,269)	(4,681,499)	(9,518,870)
- Elimination of trademark licence in Germany	-	-	(6,749,053)	(6,749,053)
- Intragroup dividends	(500,000)	(500,000)	-	-
- Impairment of the investment in Pininfarina Engineering S.r.l. in liquidation	2,359,000	-	-	-
- Waiver of amounts due from subsidiary being wound up	6,607,248	-	-	-
- Additions to the provision for the winding up procedure	9,041,532	-	481,493	-
Consolidated financial statements	**(24,437,689)**	**(23,074,665)**	**34,235,807**	**39,001,340**

Reclassified statement of financial position

(€'000)

	31.12.2020	31.12.2019	Variation
Net non-current assets (A)			
Net intangible assets	5,590	6,092	(502)
Net property, plant and equipment and investment property	32,952	40,481	(7,529)
Right-of-use assets	3,557	5,785	(2,228)
Equity investments	867	854	13
Total A	**42,966**	**53,212**	**(10,246)**
Working capital (B)			
Inventories	448	360	88
Contract assets	4,576	4,617	(41)
Net trade receivables and other assets	20,951	40,004	(19,053)
Assets held for sale	5,156	1,819	3,337
Deferred tax assets	17	839	(822)
Trade payables	(16,831)	(19,638)	2,807
Contract liabilities	(6,061)	(14,624)	8,563
Provisions for risks and charges	(6,787)	(3,452)	(3,335)
Other liabilities (*)	(9,347)	(7,864)	(1,483)
Total B	**(7,878)**	**2,061**	**(9,939)**
Net invested capital (C=A+B)	**35,088**	**55,273**	**(20,185)**
Post-employment benefits (D)	**3,239**	**4,243**	**(1,004)**
Net capital requirements (E=C-D)	**31,849**	**51,030**	**(19,181)**
Equity (F)	**34,236**	**39,001**	**(4,765)**
Net financial (position) debt (G)			
Non-current loans and borrowings	20,949	24,840	(3,891)
Net current financial position	(23,336)	(12,811)	(10,525)
Total G	**(2,387)**	**12,029**	**(14,416)**
Total as in E (H=F+G)	**31,849**	**51,030**	**(19,181)**

(*) Other liabilities include the following items: deferred tax liabilities, other financial liabilities, current tax liabilities and other liabilities.

Net financial position

(€'000)

	31.12.2020	31.12.2019	Variation
Cash and cash equivalents	28,529	20,115	8,414
Current bank overdrafts	(41)	(2,368)	2,327
Lease liabilities	(1,521)	(1,298)	(223)
Loans and borrowings - related parties and joint ventures	-	-	-
Current portion of bank loans and borrowings	(3,631)	(3,638)	7
Net current financial position	**23,336**	**12,811**	**10,525**
Non-current loans and receivables - third parties	-	-	-
Non-current loans and receivables - related parties	550	550	-
Non-current lease liabilities	(3,025)	(4,990)	1,965
Non-current bank loans and borrowings	(18,474)	(20,400)	1,926
Non-current loans and borrowings	**(20,949)**	**(24,840)**	**3,891**
NET FINANCIAL POSITION (DEBT)	**2,387**	**(12,029)**	**14,416**

PININFARINA S.P.A.

Net financial position (Consob)

(CESR recommendations no. 05-04b – EU Regulation no. 809/2004)

(€'000)

		31.12.2020	31.12.2019	Variation
A.	Cash	(28,529)	(20,115)	(8,414)
B.	Other cash equivalents	-	-	-
C.	Securities held for trading	-	-	-
D.	**Total cash and cash equivalents (A.)+(B.)+(C.)**	**(28,529)**	**(20,115)**	**(8,414)**
E.	**Current loan assets**	**-**	**-**	**-**
F.	**Current bank loans and borrowings**	**41**	**2,368**	**(2,327)**
	Current portion of secured bank loans	53	60	(7)
	Current portion of unsecured bank loans	3,578	3,578	-
G.	**Current portion of non-current debt**	**3,631**	**3,638**	**(7)**
H.	Other current loans and borrowings	1,521	1,298	223
	Loans and borrowings - associates and joint ventures	-	-	-
I.	**Current financial debt (F.)+(G.)+(H.)**	**5,193**	**7,304**	**(2,111)**
J.	**Net current financial position**	**(23,336)**	**(12,811)**	**(10,525)**
	Non-current portion of secured bank loans	-	30	(30)
	Non-current portion of unsecured bank loans	18,474	20,370	(1,896)
K.	**Non-current bank loans and borrowings**	**18,474**	**20,400**	**(1,926)**
L.	Bonds issued	-	-	-
M.	Other non-current loans and borrowings	3,025	4,990	(1,965)
N.	**Net non-current financial debt (K.)+(L.)+(M.)**	**21,499**	**25,390**	**(3,891)**
O.	**Net financial (position) debt (J+N)**	**(1,837)**	**12,579**	**(14,416)**

The "Net financial position" set out above is presented in accordance with the format recommended by Consob in Communication DEM no. 6064293 of 28 July 2006, implementing CESR (now ESMA) recommendation no. 05-04b. Because the purpose of this table is to show "Net financial debt", assets are shown with a minus sign and liabilities with a plus sign. On the contrary, in the "Net financial position" table provided on the previous page, assets are shown with a plus sign and liabilities with a minus sign.

The reason for the difference between the amount of the "Net financial position" on the previous page and on this page is that the latter does not include non-current loan assets. The total amount of these differences at the relevant reporting dates is shown below:

- At 31 December 2020: €550 thousand
- At 31 December 2019: €550 thousand

The net financial position at the reporting date comprises the effect of IFRS 16 (approximately €4.5 million).

OUTLOOK FOR 2021

Based on the current situation of the business sectors where the Pininfarina Group operates, its outlook for 2021 is revenue in line with 2020, along with an operating loss and a loss for the year.

Chief Executive Officer
Silvio Pietro Angori
signed on the original

PININFARINA GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2020

PININFARINA S.P.A.

Statement of financial position

(Amount in Euro)

	Note	31.12.2020	31.12.2019
Land and buildings	1	**27,892,366**	28,770,391
Land		**5,365,936**	5,365,936
Buildings		**22,526,430**	23,404,455
Plant and machinery	1	**4,183,712**	4,477,859
Machinery		**76,672**	86,781
Plant		**4,107,040**	4,391,078
Furniture, fixtures and other assets	1	**790,592**	1,602,653
Furniture and fixtures		**549,714**	707,005
Hardware and software		**146,016**	504,208
Other assets, including vehicles		**94,862**	391,440
Assets under construction		**84,880**	132,356
Property, plant and equipment		**32,951,550**	34,983,259
Investment property	2	**-**	5,497,561
Goodwill		**-**	-
Licences and trademarks	3	**-**	446,850
Other	3	**5,590,176**	5,644,884
Intangible assets		**5,590,176**	6,091,734
Right-of-use assets	4	**3,557,340**	5,785,015
Subsidiaries		**-**	-
Associates	5	**615,145**	602,142
Joint ventures		**-**	-
Other companies	6	**252,017**	252,017
Equity investments		**867,162**	854,159
Deferred tax assets	18	**17,161**	839,071
Loans and receivables	7	**550,000**	550,000
Third parties		**-**	-
Related parties		**550,000**	550,000
Available-for-sale financial assets		**-**	-
Non-current financial assets		**550,000**	550,000
TOTAL NON-CURRENT ASSETS		**43,533,389**	54,600,799
Raw materials		**288,235**	210,396
Finished goods		**160,040**	149,285
Inventories	8	**448,275**	359,681
Third parties		**4,575,923**	4,616,785
Related parties		**-**	-
Contract assets	9	**4,575,923**	4,616,785
Assets held for trading		**-**	-
Loans and receivables		**-**	-
Current financial assets		**-**	-
Trade receivables	10	**15,695,121**	25,596,880
Third parties		**13,541,112**	24,588,878
Related parties		**2,154,009**	1,008,002
Other assets		**5,256,337**	14,407,216
Third parties	11	**5,256,337**	14,407,216
Related parties		**-**	-
Trade receivables and other assets		**20,951,458**	40,004,096
Cash in hand and cash equivalents		**8,821**	12,879
Short-term bank deposits		**28,520,350**	20,102,249
Cash and cash equivalents	12	**28,529,171**	20,115,128
TOTAL CURRENT ASSETS		**54,504,827**	65,095,690
TOTAL ASSETS		**103,193,798**	121,515,289

Statement of financial position
(Amount in Euro)

	Note	31.12.2020	31.12.2019
Share capital	13	**54,271,170**	54,271,170
Share premium reserve	13	**2,053,660**	2,053,660
Reserve for treasury shares	13	**175,697**	175,697
Legal reserve	13	**10,854,234**	10,854,234
Stock option reserve	13	**2,216,799**	2,216,799
Translation reserve	13	**(125,477)**	42,613
Other reserves	13	**27,923,223**	7,923,223
Losses carried forward	13	**(38,695,810)**	(15,461,391)
Loss for the year		**(24,437,689)**	(23,074,665)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		**34,235,807**	39,001,340
Equity attributable to non-controlling interests		**-**	-
EQUITY		**34,235,807**	39,001,340
Lease liabilities	4	**3,024,798**	4,989,882
Other loans and borrowings		**18,474,109**	20,399,957
Third parties		**18,474,109**	20,399,957
Related parties		**-**	-
Non-current loans and borrowings	14	**21,498,907**	25,389,839
Italian post-employment benefits		**3,239,401**	4,243,045
Other		**-**	-
Post-employment benefits	15	**3,239,401**	4,243,045
TOTAL NON-CURRENT LIABILITIES		**24,738,308**	29,632,884
Bank overdrafts		**41,132**	2,368,172
Lease liabilities		**1,521,454**	1,297,588
Other loans and borrowings		**3,630,554**	3,638,089
Third parties		**3,630,554**	3,638,089
Related parties		**-**	-
Current loans and borrowings	14	**5,193,140**	7,303,849
Wages and salaries payable		**6,234,200**	4,076,478
Social security charges payable		**961,593**	1,309,280
Other		**1,568,955**	1,686,304
Other financial liabilities	16	**8,764,748**	7,072,062
Third parties		**14,845,034**	19,193,148
Related parties		**560,460**	164,058
Other liabilities - third parties		**1,425,105**	280,442
Other liabilities - related parties		**-**	-
Trade payables	16	**16,830,599**	19,637,648
Third parties		**4,613,710**	12,532,403
Related parties		**1,447,011**	2,091,897
Contract liabilities	9	**6,060,721**	14,624,300
Direct tax liabilities		**20,181**	-
Other tax liabilities		**562,836**	791,268
Current tax liabilities	18	**583,017**	791,268
Provision for product warranties		**53,236**	53,236
Restructuring provision		**6,495,647**	-
Other provisions		**238,575**	3,398,702
Provisions for risks and charges	17	**6,787,458**	3,451,938
TOTAL CURRENT LIABILITIES		**44,219,683**	52,881,065
TOTAL LIABILITIES		**68,957,991**	82,513,949
TOTAL LIABILITIES AND EQUITY		**103,193,798**	121,515,289

Pursuant to Consob resolution no. 15519 of 27 July 2006, an ad hoc statement of financial position showing related party transactions has not been prepared as these are already shown in the consolidated financial statements schedules. As for transactions with other related parties, such as directors and statutory auditors, “Trade payables - third parties” include accrued fees for the year of €57,279, mainly relating to Pininfarina S.p.A.

PININFARINA S.P.A.

Statement of profit or loss

(Amount in Euro)

	Note	2020	of which: related parties	2019	of which: related parties
Revenue from sales and services	19	**65,485,648**	**12,707,099**	85,301,216	25,006,870
Internal work capitalised		**-**		-	
Change in finished goods		**10,755**		(16,961)	
Other revenue and income		**1,499,962**	**-**	5,113,617	-
Revenue		**66,996,365**	**12,707,099**	90,397,872	25,006,870
Gains on sale of non-current assets and equity investments	20	**948,270**		49,975	
Gain on sale of equity investments		**-**		-	
Raw materials and components	21	**(4,204,274)**	**(56,106)**	(7,072,380)	(74,354)
Change in raw materials		**77,839**		(31,646)	
Inventory write-downs		**-**		-	
Raw materials and consumables		**(4,126,435)**	**(56,106)**	(7,104,026)	(74,354)
Consumables		**(621,093)**		(836,094)	
External maintenance		**(1,159,650)**		(1,201,842)	
Other variable production costs		**(1,780,743)**	**-**	(2,037,936)	-
External variable engineering services	22	**(8,804,259)**	**(471,105)**	(14,658,050)	(366,996)
Blue collars, white collars and managers		**(46,687,145)**		(53,418,415)	
Independent contractors and temporary workers		**(1,101,112)**		-	
Social security contributions and other post-employment benefits		**(1,359,582)**		(1,577,448)	
Wages, salaries and employee benefits	23	**(49,147,839)**	**-**	(54,995,863)	-
Depreciation of property, plant and equipment and investment property		**(2,509,400)**		(3,056,835)	
Amortisation of intangible assets		**(174,775)**		(396,399)	
Depreciation of right-of-use assets		**(1,422,185)**		(1,465,037)	
Losses on sale of non-current assets and equity investments		**-**		(84,305)	
(Additions to)/utilisation of provisions and impairment losses	24	**(10,370,525)**		(12,711,208)	
Amortisation, depreciation and impairment losses		**(14,476,885)**	**-**	(17,713,784)	
Net exchange losses		**(67,327)**		(28,545)	
Other expenses	**25**	**(11,088,896)**	**(2,232)**	(13,278,786)	
Operating loss		**(21,547,749)**	**12,177,656**	(19,369,143)	24,565,520
Net financial expense	**26**	**(1,941,165)**		(1,479,069)	
Dividends		**-**		10,817	
Share of profit (loss) of equity-accounted investees		**13,003**		(2,429)	
Loss before taxes		**(23,475,911)**	**12,177,656**	(20,839,824)	24,565,520
Income taxes	**18**	**(961,778)**		(2,234,841)	
Loss for the year		**(24,437,689)**	**12,177,656**	(23,074,665)	24,565,520
Of which:					
- Loss for the year attributable to the owners of the parent		**(24,437,689)**		(23,074,665)	
- Profit (loss) for the year attributable to non-controlling interests		**-**		-	
Basic/diluted earnings (loss) per share:		**-**		-	
- Loss for the year attributable to the owners of the parent		**(24,437,689)**		(23,074,665)	
- Number of ordinary shares, net		**54,271,170**		54,271,170	
- Basic/diluted loss per share		**(0.45)**		(0.43)	

Statement of comprehensive income
(Amount in Euro)

	2020	2019
Loss for the year	**(24,437,689)**	(23,074,665)
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss:		
- Actuarial losses on defined benefit plans - IAS 19	**(159,754)**	(29,819)
- Income taxes	**-**	-
- Other	**-**	-
Total items of other comprehensive expense that will not be reclassified to profit or loss, net of tax effect:	**(159,754)**	(29,819)
Items that will or may be subsequently reclassified to profit or loss:		
- Gains from translation of financial statements of foreign operations - IAS 21	**(168,090)**	51,252
- Other	**-**	-
Total items of other comprehensive income that will be subsequently reclassified to profit or loss, net of tax effect:	**(168,090)**	51,252
Total other comprehensive income, net of tax effect	**(327,844)**	21,433
Comprehensive income (expense)	**(24,765,533)**	(23,053,232)
Of which:		
- Comprehensive expense attributable to the owners of the parent	**(24,765,533)**	(23,053,232)
- Comprehensive income (expense) attributable to non-controlling interests	**-**	-
Of which:		
- Comprehensive expense from continuing operations	**(24,765,533)**	(23,053,232)
- Comprehensive income (expense) from discontinued operations	**-**	-

Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of related party transactions on the statement of profit or loss of the Pininfarina Group are shown in the table provided above and in the “Other information” section of the notes.

PININFARINA S.P.A.

Statement of changes in equity

(Amount in Euro)

	31.12.2018	Comprehensive expense	Stock option reserve	Allocation of prior year profit	Allocation of the parent's 2018 profit to the legal reserve	Merger of Pininfarina Extra S.r.l.	Proceeds from the issue of shares	31.12.2019
Share capital	54,271,170	-	-	-	-	-	-	54,271,170
Share premium reserve	2,053,660	-	-	-	-	-	-	2,053,660
Reserve for treasury shares	175,697	-	-	-	-	-	-	175,697
Legal reserve	6,063,759	-	-	-	4,790,475	-	-	10,854,234
Stock option reserve	1,911,103	-	305,696	-	-	-	-	2,216,799
Translation reserve	(8,639)	51,252	-	-	-	-	-	42,613
Other reserves	2,646,208	-	-	-	-	5,277,015	-	7,923,223
Losses carried forward	(7,537,263)	(29,819)	-	2,173,181	(4,790,475)	(5,277,015)	-	(15,461,391)
Profit (loss) for the year	2,173,181	(23,074,665)	-	(2,173,181)	-	-	-	(23,074,665)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	61,748,876	(23,053,232)	305,696	-	-	-		39,001,340
Equity attributable to non-controlling interests	-	-	-	-	-	-	-	
EQUITY	**61,748,876**	**(23,053,232)**	**305,696**	**-**	**-**	**-**	**-**	**39,001,340**

	31.12.2019	Comprehensive expense	Stock option reserve	Allocation of prior year loss	Allocation of the parent's 2019 loss to the legal reserve	Merger of Pininfarina Extra S.r.l.	Proceeds from the issue of shares	31.12.2020
Share capital	54,271,170	-	-	-	-	-	-	54,271,170
Share premium reserve	2,053,660	-	-	-	-	-	-	2,053,660
Reserve for treasury shares	175,697	-	-	-	-	-	-	175,697
Legal reserve	10,854,234	-	-	-	-	-	-	10,854,234
Stock option reserve	2,216,799	-	-	-	-	-	-	2,216,799
Translation reserve	42,613	(168,090)	-	-	-	-	-	(125,477)
Other reserves	7,923,223	-	-	-	-	-	20,000,000	27,923,223
Losses carried forward	(15,461,391)	(159,754)	-	(23,074,665)	-	-	-	(38,695,810)
Loss for the year	(23,074,665)	(24,437,689)	-	23,074,665	-	-	-	(24,437,689)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	39,001,340	(24,765,533)	-	-	-	-	20,000,000	34,235,807
Equity attributable to non-controlling interests	-	-		-	-	-	-	-
EQUITY	**39,001,340**	**(24,765,533)**	**-**	**-**	**-**	**-**	**20,000,000**	**34,235,807**

Statement of cash flows
(Amount in Euro)

	2020	2019
Loss for the year	**(24,437,689)**	(23,074,665)
Adjustments:		
- Income taxes	**961,778**	2,234,841
- Depreciation of property, plant and equipment and investment property	**2,509,400**	3,056,835
- Amortisation of intangible assets	**174,775**	396,399
- Depreciation of right-of-use assets	**1,422,185**	1,465,037
- Impairment losses, provisions and change in accounting estimates	**10,281,420**	11,260,240
- (Gains) losses on the sale of non-current assets	**(948,270)**	34,330
- Financial expense	**1,987,955**	2,212,003
- Financial income	**(46,790)**	(732,934)
- Dividends	**-**	-
- Share of (profit) loss of equity-accounted investees	**(13,003)**	2,429
- Other adjustments	**(454,011)**	(237,314)
Total adjustments	**15,875,439**	19,691,866
Change in working capital:		
- (Increase)/decrease in inventories	**(59,559)**	55,900
- (Increase)/decrease in contract assets	**40,862**	(1,485,876)
- (Increase)/decrease in contract assets - related parties	**-**	-
- (Increase)/decrease in trade receivables and other assets	**14,887,597**	(6,950,981)
- (Increase)/decrease in trade receivables - related parties	**(1,146,007)**	1,821,446
- Increase/(decrease) in trade payables, other financial liabilities and other liabilities	**(2,638,703)**	4,095,504
- Increase/(decrease) in trade payables, other liabilities - related parties	**396,402**	(329,005)
- Decrease in contract liabilities	**(7,918,693)**	(1,033,133)
- Increase/(decrease) in contract liabilities - related parties	**(644,886)**	2,091,897
- Decrease in lease liabilities	**(1,472,636)**	(1,279,877)
- Other changes	**136,098**	(18,335)
Total changes in working capital	**1,580,475**	(3,032,460)
Gross cash flows used in operating activities	**(6,981,775)**	(6,415,259)
- Interest expense	**(221,038)**	(294,091)
- Income taxes	**(249,465)**	(706,957)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(7,452,278)**	(7,416,307)
- Purchases of non-current assets and equity investments	**(1,398,656)**	(3,687,441)
- Proceeds from the sale of non-current assets and equity investments	**2,779,553**	66,591
- Cash and cash equivalents from business combination	**-**	1,597,739
- Proceeds from the sale of assets held for trading	**-**	13,098,124
- Financial income	**46,790**	4,095
- Other changes	**2,732,762**	(1,551,913)
CASH FLOWS FROM INVESTING ACTIVITIES	**4,160,449**	9,527,195
- Proceeds from the issue of shares	**20,000,000**	-
- Increase in lease liabilities and other loans and borrowings - third parties	**(2,327,040)**	1,642,868
- Repayment of lease liabilities and other loans and borrowings - third parties	**(3,640,048)**	(3,638,089)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**14,032,912**	(1,995,221)
TOTAL CASH FLOWS	**10,741,083**	115,667
Opening net cash and cash equivalents	**17,746,956**	17,631,289
Closing net cash and cash equivalents	**28,488,039**	17,746,956
Of which:		
- Cash and cash equivalents	**28,529,171**	20,115,128
- Bank overdrafts	**(41,132)**	(2,368,172)

Pursuant to Consob resolution no. 15519 of 27 July 2006, the impact of transactions with related parties, which are those with the ultimate parent, PF Holding B.V., the Mahindra group companies and the associates Goodmind S.r.l. and Signature S.r.l., are disclosed in notes 5, 7, 10 and 16 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Foreword

The core business of the Pininfarina Group (the "Group") is based on the establishment of comprehensive partnerships with carmakers. Operating as a global partner enables it to work with customers through the entire process of developing new products, including design, planning, development, industrialisation and manufacturing, or to provide support separately during any one of these phases with the utmost flexibility.

Pininfarina S.p.A., the Group's parent, is listed on the Italian Stock Exchange. Its registered office is in Via Raimondo Montecuccoli 9, Turin. Market investors own 23.82% of its share capital, with the remaining 76.18% held by the following shareholders:

- PF Holdings BV 76.15%;
- treasury shares held by Pininfarina S.p.A. 0.03%.

At the reporting date, PF Holdings BV is controlled by Tech Mahindra Limited, which holds 60% of its share capital. Mahindra & Mahindra Limited holds the residual 40%.

Tech Mahindra Limited, an Indian company listed on the National Stock Exchange of Mumbai (India), is a public company, specialised in IT services and solutions. It is not controlled by any major shareholder. Mahindra & Mahindra Limited holds an investment of 26% therein at the reporting date. Mahindra & Mahindra Limited is a company incorporated under Indian law, with registered office in India, whose shares are listed on the Indian National Stock Exchange. It is specialised in the production of cars, commercial vehicles, buses and tractors.

Despite being directly controlled by PF Holdings BV, which is part of the Mahindra Group, Pininfarina S.p.A. is neither managed nor coordinated by PF Holdings BV pursuant to article 2497 and following articles of the Italian Civil Code. PF Holdings BV is simply a vehicle incorporated under Dutch law without an operating structure. There is no authorisation or reporting procedure in place that Pininfarina S.p.A. should follow in the relationships with its parent and, therefore, it has full autonomy to define its strategic and operating objectives, since it has (i) a structured organisation able to perform all business and corporate activities; (ii) its own distinct strategic and financial planning process and (iii) the ability to make proposals about how to conduct and develop its business.

A list of the group companies, with their complete name and address, is provided later on.

The consolidated financial statements are presented in Euros, the functional and presentation currency of the parent, where most of the activities and consolidated revenue are concentrated, and its main subsidiaries.

All amounts are presented in Euros, unless stated otherwise.

The Board of Directors approved these consolidated financial statements on 12 February 2021. They were authorised for publication according to the legal terms.

Basis of presentation

In accordance with IAS 1 - Presentation of Financial Statements, the consolidated financial statements have the same basis of presentation as that of the parent. They include the following:

- statement of financial position, in which current and non-current assets and liabilities are classified separately;
- statement of profit or loss and statement of comprehensive income, shown as two separate schedules in which costs are classified by nature;
- statement of cash flows, presented in accordance with the indirect method, as allowed by IAS 7 - Statement of cash flows;
- statement of changes in equity.
- notes to the consolidated financial statements.

  These schedules present the corresponding prior year annual figures for comparative purposes.

  Moreover, as required by Consob resolution no. 15519 of 28 July 2006, the Group presents the following information in separate schedules:

- net financial position, with a breakdown of the main components and balances with related parties;
- the effects of non-recurring events or transactions, i.e., those transactions or events that are not repeated frequently in the normal course of business.

Related party transactions are not presented in separate schedules because they are listed as separate items in the statement of financial position.

Pursuant to article 4.7 of Directive 2004/109/EC (the "transparency directive"), as amended by Directive 2013/50/EU, as of 1 January 2020, all annual consolidated financial reports shall be prepared in a single electronic reporting format. The regulatory technical standards prepared by ESMA (the European Securities and Markets Authority) are included in the Commission Delegated Regulation (EU) 2018/815 (regulatory technical standards on the specification of a single electronic reporting format, European Single Electronic Format "ESEF"). In 2020, partly as a result of the spread of the Covid-19 pandemic, discussions began within the European institutions on whether to postpone the enactment of the aforementioned regulation. On 11 December 2020, the European Parliament and the European Commission agreed to amend the transparency directive by giving member states the option to defer the use of the ESEF by one year.

The Regulation of the European Parliament and of the Council dated 11 February 2021, amending Regulation (EU) 2017/1129 as regards the EU recovery prospectus provides for, inter alia, an amendment to article 4.7 of the transparency directive. Under the above amended article, a member state may allow issuers to apply that reporting requirement for annual reporting periods beginning on or after 1 January 2021, provided that the member state notifies the Commission of its intention to allow such a delay within 21 days of the Regulation's publication date. Accordingly, it is expected to come into force before the end of March 2021.

In the light of above and taking into account the expected forthcoming enactment of an Italian law granting issuers such deferral option, the parent has not prepared its consolidated financial statements at 31 December 2020 using the ESEF.

Basis of preparation

These consolidated financial statements are prepared on a going concern basis, which the directors deemed appropriate.

These consolidated financial statements at 31 December 2020 comply with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. They are also consistent with the regulations enacted to implement article 9 of Legislative decree no. 38/2005.

The term IFRS includes the International Financial Reporting Standards, the International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretations Committee ("SIC"), endorsed by the European Commission as of the date of the Board of Directors' meeting convened to approve the consolidated financial statements and listed in the applicable regulations published by the European Union as of the above-mentioned date.

These consolidated financial statements are prepared in accordance with the general principle of historical cost, except for those items that, pursuant to the IFRS, shall be measured at fair value, as explained in the "Accounting policies" section.

The accounting policies adopted to prepare these consolidated financial statements at 31 December 2020 are the same as those used in 2019, except as noted in the following section.

New applicable standards

The new standards and/or amendments to existing standards applicable to periods beginning on or after 1 January 2020 are set out below:

— definition of material (amendments to IAS 1 and IAS 8);

— interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7);

— definition of a business (amendments to IFRS 3).

— amendments to references to the conceptual framework in IFRS standards.

The above amendments did not have a significant impact on these consolidated financial statements.

New standards or amendments:

— Covid-19-related rent concessions (amendment to IFRS 16);

— interest rate benchmark reform - phase 2 (amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16);

— onerous contracts – cost of fulfilling a contract (amendments to IAS 37);

— annual improvements to IFRS standards (2018-2020 cycle);

— property, plant and equipment: proceeds before intended use (amendments to IAS 16);

— reference to the conceptual framework (amendments to IFRS 3);

— classification of liabilities as current or non-current (amendments to IAS 1);

— IFRS 17 - Insurance contracts and amendments to IFRS 17 - Insurance contracts;

— sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28);

— IFRS 14 - Regulatory deferral accounts.

The effects of the future application of the above standards or amendments are currently being assessed.

ACCOUNTING POLICIES

Consolidated financial statements

The consolidated financial statements include the financial statements of all subsidiaries from the date the group acquires control until such control ceases to exist. Joint ventures (if any) and associates are measured using the equity method.

Intragroup expenses, revenue, receivables, payables, gains and losses are eliminated in the consolidation process.

When necessary, the accounting policies of subsidiaries, associates and joint ventures are amended to make them consistent with those of the parent.

(a) Subsidiaries and business combinations

A list of the companies consolidated line by line is provided below:

Name	Registered office	Investment %	Held by	Currency	Share/ quota capital
Pininfarina of America Corp.	501 Brickell Key Drive, Suite 200, Miami FL 33131 USA	100%	Pininfarina S.p.A.	USD	10,000
Pininfarina Engineering S.r.l. in liquidation	Via Raimondo Montecuccoli 9, Turin, Italy	100%	Pininfarina S.p.A.	€	100,000
Pininfarina Deutschland Holding GmbH	Riedwiesenstr. 1, Leonberg, Germany	100%	Pininfarina Engineering S.r.l. in liquidation	€	3,100,000
Pininfarina Deutschland GmbH	Frankfurter Ring 81, Munich, Germany	100%	Pininfarina Deutschland Holding GmbH	€	25,000
Pininfarina Shanghai Co. Ltd	Unit 1, Building 3, Lane 56, Antuo Road, Anting, 201805, Jiading district, Shanghai, China	100%	Pininfarina S.p.A.	CNY	3,702,824

The reporting date of the subsidiaries is the same as that of the parent, Pininfarina S.p.A..

As discussed in the directors’ report, at their meeting of 26 October 2020, Pininfarina Engineering S.r.l.’s quotaholders resolved to wind it up.

(b) Acquisition/sale of equity investments subsequent to the acquisition of control

Acquisitions and sales of equity investments subsequent to the acquisition of control that do not result in a loss of control are accounted for as owner transactions.

In the case of acquisitions, the difference between the consideration paid and the pro rata interest in the carrying amount of the net assets acquired is recognised in equity. In the case of sales, the resulting gain or loss is also recognised directly in equity.

If the Group loses control or significant influence, the remaining non-controlling interest is remeasured at fair value and any positive or negative difference between its carrying amount and fair value is recognised in profit or loss.

(c) Associates

Associates are listed below:

Name	Registered office	Investment %	Held by	Currency	Quota capital
Goodmind S.r.l.	Corso Vittorio Emanuele II 12, Turin, Italy	20%	Pininfarina S.p.A.	€	20,000
Signature S.r.l.	Via Paolo Frisi 6, Ravenna, Italy	24%	Pininfarina S.p.A.	€	10,000

(d) Other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, if feasible, and any resulting gains or losses are recognised in equity until the investments are sold. At that point, fair value gains or losses accumulated in equity are immediately reclassified to profit or loss.

If the equity investments are not listed on a regulated market and their fair value cannot be reliably determined, they are measured at cost, adjusted for any impairment losses, which cannot be reversed.

Translation of foreign currency captions

(a) Presentation currency and translation of financial statements denominated in currencies other than the Euro

The Group's presentation currency is the Euro.

The table below lists the exchange rates used to translate financial statements denominated in functional currencies different from the presentation currency:

Euro vs currency	31.12.2020	2020	31.12.2019	2019
US dollar - USD	1.23	1.14	1.12	1.12
Chinese renminbi (yuan) - CNY	8.02	7.87	7.82	7.73

(b) Foreign currency assets, liabilities and transactions

Transactions carried out in currencies other than the Euro are initially translated at the exchange rate in force on the date of the transaction.

At the reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into Euros at the closing rate. All resulting exchange gains and losses are recognised in profit or loss, except for those stemming from foreign currency loans that hedge investments in foreign operations, which are recognised directly in equity, net of the related tax effects. When the equity investment is sold, the accumulated translation differences are reclassified to profit or loss.

Non-monetary items that are carried at historical cost are translated into Euros at the exchange rate in force when the underlying transaction was initially recognised. Non-monetary items that are carried at fair value are translated into Euros at the exchange rate in force on the measurement date.

None of the group companies operate in a hyperinflationary economy.

Use of judgements and estimates

In preparing these consolidated financial statements, management has made estimates and judgements, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any changes due to the revision of estimates are recognised prospectively.

The captions most affected by estimation uncertainties are contract revenue, investments in subsidiaries, deferred tax assets, provisions for risks and charges and trade receivables.

Investment property

Property held to earn rentals or for capital appreciation is classified as investment property and measured at purchase or production cost, including any related costs and net of accumulated depreciation and impairment losses.

Property, plant and equipment

Property, plant and equipment comprise items used in production, including those held under finance lease. They are recognised at purchase or production cost, net of accumulated depreciation and impairment losses (if any), except for land, which is not depreciated.

The cost includes all purchase-related outlays, i.e., those incurred to bring the asset to the place and conditions necessary for its operation.

Depreciation of buildings and other generic assets is calculated on a straight-line basis, in order to allocate their residual carrying amount over their estimated useful life.

The depreciation rates applied to each asset category are set out below:

Category	Useful life (years)	
	Bairo and San Giorgio facilities	Other facilities
Land	Indefinite	Indefinite
Buildings	50	33
Machinery	20	10
Plant	20	10
Machinery	-	5
Furniture and fixtures	10	8
Hardware	-	5
Other, including vehicles	-	5

Land is recognised separately and is not depreciated but tested for impairment whenever the Group identifies indicators that the carrying amount exceeds the recoverable amount. Subsequent costs are capitalised only if it is probable that they will generate future economic benefits and their amount can be determined reliably. Should a portion be replaced, its carrying amount is derecognised. Costs that do not meet these requirements are immediately recognised in profit or loss. The carrying amount and useful life of property, plant and equipment are reviewed at each reporting date and adjusted, if necessary, prospectively pursuant to paragraphs from 32 to 38 of IAS 8 - Accounting policies, changes in accounting estimates and errors. Gains and losses on the sale, calculated as the difference between the asset's carrying amount and sales price, are recognised in profit or loss. In these notes, impairment losses mean the losses recognised to adjust the assets' carrying amounts to their recoverable amount.

Government grants

Government grants are recognised at fair value only if the Group is reasonably certain that they will be disbursed and has met all conditions for their collection. They are recognised as revenue in proportion to the costs incurred. As required by paragraph 17 of IAS 20 - Accounting for government grants and disclosure of government assistance, grants related to assets are recognised as deferred income and reclassified to profit or loss in line with the depreciation pattern of the related asset.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They are controlled by the Group and generate measurable future economic benefits. They are recognised at cost, calculated using the same criteria as for property, plant and equipment.

(a) Goodwill

Goodwill is the excess of the purchase price with respect to the acquisition-date fair value of the net assets acquired. It is not amortised, but is tested for impairment at least annually. Impairment testing allocates goodwill to the related cash-generating units, which are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If the carrying amount of the net assets of a cash-generating unit, including allocated goodwill, exceeds their recoverable amount, the identified impairment loss is firstly allocated to goodwill, up to its entire carrying amount. Any remaining impairment loss is then allocated pro rata to the carrying amount of the assets making up the cash-generating unit. Impairment losses recognised on goodwill cannot be reversed. Any negative goodwill is recognised as income in profit or loss.

(b) Software and other licences

Software and other similar licences are recognised as assets at cost, including that incurred to use them. They are amortised over their estimated useful life, which ranges between three and five years. Costs incurred to maintain software programs are immediately recognised in profit or loss. Those incurred to develop identifiable software that is controlled by the Group, which are very likely to produce future economic benefits exceeding the costs incurred, if any, are recognised as intangible assets and amortised over their useful life, which does not exceed three years.

(c) Research and development expenditure

Research expenditure, as defined by IAS 38 - Intangible assets, is expensed when incurred in accordance with IAS 38.54. Development expenditure is recognised as an intangible asset only if it can be measured reliably and if it is probable that the related project is likely to be successful, with reference to its technical feasibility, the availability of financial resources to complete it and its commercial penetration. Development expenditure that does not meet these requirements is expensed when incurred. This expense is never reclassified as an asset in subsequent years, if the requirements for its recognition as an asset are met after it is recognised in profit or loss. Development expenditure is amortised from when the related output is marketed over the estimated period during which it will generate economic benefits, which can never exceed five years. It is tested for impairment when the Group identifies indicators that its carrying amount exceeds its recoverable amount. The Group carries out development projects on behalf of third parties as part of both design, engineering and car manufacturing contracts and solely design and engineering contracts. Development expenditure incurred as part of design and engineering contracts sold to third parties is classified as a contractual cost under IAS 11 - Construction contracts and, accordingly, no intangible asset is recognised. Development expenditure related to design, engineering and manufacturing contracts which give the Group a total or partial guarantee that the investment made on behalf of a customer will be recovered is classified as a financial asset under IFRIC 4 - Determining whether an arrangement contains a lease, or, when the conditions for the application of this interpretation are not met, in the carrying amount of the specific equipment under property, plant and equipment.

(d) Other intangible assets

Other intangible assets acquired separately are recognised at cost. Those acquired as a result of a business combination are recognised at their acquisition-date fair value. After initial recognition, those with a finite useful life are subsequently measured at cost, adjusted for accumulated amortisation and impairment losses, whereas those with an indefinite useful life are measured at cost but not amortised. They are tested for impairment at least annually. Where possible, any changes are made prospectively pursuant to paragraphs from 32 to 38 of IAS 8 - Accounting policies, changes in accounting estimates and errors.

Impairment of non-financial assets

Intangible assets with an indefinite useful life, including goodwill, are tested for impairment at least annually and whenever there are indicators of impairment. Property, plant and equipment, investment property and intangible assets with a finite useful life are tested for impairment only if the Group identifies indicators that their carrying amount may exceed their recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use, which is calculated as the present value of the future cash flows expected to be derived from an asset, to be based on reasonable and supportable assumptions that represent management's best estimate of the future economic conditions. The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. This rate for the Group is the weighted average cost of capital ("WACC").

When the carrying amount of an asset exceeds its recoverable amount, the Group recognises the difference as an impairment loss in profit or loss. If the reasons for the impairment loss no longer exist in future years, the impairment loss is reversed to the extent of the pre-impairment carrying amount, less amortisation/depreciation. Impairment losses on goodwill can never be reversed. Cash-generating units are identified in line with the Group's organisational structure and business, by grouping those assets that are able to generate cash inflows independently, as required by IAS 36 - Impairment of assets; they are not larger than the two operating segments identified under IFRS 8 - Operating segments: 1) design; 2) engineering. In assessing the recoverable amount for impairment testing purposes, the Group makes reference to the fair value of owned real estate complexes, measured using the market valuations available at the Public Real Estate Registry Office and possibly appraisals prepared by independent experts.

Available-for-sale financial assets

Non-current assets, together with current and non-current assets included in disposal groups, whose carrying amount will be recovered through their sale rather than continuing use, are classified as held for sale. Assets held for sale and directly-associable liabilities are classified in the statement of financial position separately from the Group's other assets and liabilities, in accordance with paragraphs from 38 to 40 of IFRS 5 - Non-current assets held for sale and discontinued operations. Assets held for sale are not amortised or depreciated and are measured at the lower of their carrying amount and fair value less costs to sell. Any difference between the carrying amount and fair value less costs to sell is recognised in profit or loss as an impairment loss. Any subsequent improvement in fair value less costs to sell is recognised as a reversal to the extent of the impairment losses previously recognised, including those recognised prior to the classification of the asset as held for sale.

Investments in associates

Investments in associates are recognised in the consolidated financial statements using the equity method, as required by IAS 28 - Investments in associates and joint ventures and IFRS 11 - Joint arrangements. An associate is an entity in which the Group holds at least 20% of its voting rights and over which it exercises a significant influence but not control or joint control.

Under the equity method, the equity investment is recognised in the statement of financial position at cost, increased by subsequent changes in the Group's share of the associate's net assets.

Equity investments in other companies

The other equity investments (other than in subsidiaries and associates) are classified as non-current or current assets, depending on whether the Group intends to maintain the investment in its assets for a period longer or shorter than twelve months, respectively.

Equity investments in other companies are initially recognised at acquisition cost and subsequently measured at FVTPL, as required by IFRS 9.

In the absence of a principal active market, the Group identifies the investment's fair value as its acquisition cost, considering it as the most reliable input in accordance with IFRS 13.

Financial assets and liabilities

The Group initially measures financial assets at fair value plus, except in the case of financial assets that are not recognised at fair value through profit or loss, transaction costs.

IFRS 9 classifies financial assets into three main categories: at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

The classification is based on the business model adopted by the Group to manage the asset or the SPPI (solely payments of principal and interest) test, if the financial instruments' contractual cash flows solely comprise payments of principal and interest.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt instrument; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – policy applicable from 1 January 2018

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

Financial assets: subsequent measurement and gains and losses – policy applicable from 1 January 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial expense

In accordance with IAS 23 - Borrowing costs, borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Otherwise, they are recognised in profit or loss on an accruals basis.

Inventories

Inventories are recognised at the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Under IAS 2 - Inventories, the cost is calculated using the FIFO ("first-in first-out") method. The cost of finished goods and semi-finished products includes design, raw materials and direct labour costs, other direct costs and other indirect costs that can be directly allocated to the production activity based on normal production capacity. This cost does not include borrowing costs. Based on the assets' expected future use and net realisable value, materials, finished goods, spare parts and other obsolete or slow-moving items are written down through an allowance account. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Net cash and cash equivalents include cash-in-hand, on-demand bank deposits, other investments that may be sold within three months and bank overdrafts, which are recognised in the relevant caption under current liabilities. In accordance with paragraph 8 of IAS 7 - Statement of cash flows, the cash flow for the year is equal to the change in net cash and cash equivalents.

Share capital

Ordinary shares are classified in equity. There are no other share categories. Costs directly related to the issue of ordinary shares or options are recognised in equity. If a group company acquires the parent's shares, or if the parent itself repurchases its own shares within the limits established by article 2357 of the Italian Civil Code, the consideration paid, net of any transaction cost, is deducted from equity attributable to the owners of the parent until the treasury shares are cancelled, possibly assigned to employees or resold. The parent's share capital comprises 54,287,128 ordinary shares with a unit nominal amount of €1.

Employee benefits

(a) Pension plans

The Pininfarina Group's employees participate in defined contribution plans and defined benefit plans. The latter are a portion of the Italian post-employment benefits provided for by article 2120 of the Italian Civil Code and, therefore, do not comprise any plan assets. Defined contribution plans are formalised plans for post-employment benefits that require that the Group pay contributions to an insurance company or a pension fund. By doing this, the Group does not have any other legal or constructive obligation to pay additional contributions should the fund not have sufficient resources to pay all benefits accrued by employees over their current and past service periods when the benefits become due. These contributions paid in exchange for the service rendered by employees are recognised as an expense on an accruals basis. This category includes the payments made to the Cometa and Previp funds. Under defined benefit plans, the Group has a future obligation to pay the pension benefit to the employee upon termination of employment. The amount of the benefit depends on different factors, such as age, seniority and remuneration. The Group, therefore, takes on actuarial and investment risks arising from the plan. It calculates the present value of the plan liability and the service cost using the projected unit credit method, based on the actuarial calculation that uses demographic (mortality rate and turnover) and financial (discount rate and future salary and benefit increases) variables. The post-employment benefits of the Group's Italian employees are classified as follows pursuant to IAS 19 - Employee benefits:

- defined benefit plan for the portion vested prior to enactment of the Finance Act (Law no. 296 of 27 December 2006) and related implementing decrees;
- defined contribution plan for the portion accrued thereafter.

At the annual and half year reporting dates, the Group calculates the benefits using an actuarial valuation. The accumulated actuarial losses and gains arising from changes in estimates are recognised in a specific caption of comprehensive income. Any curtailment or extinguishment of a plan liability is immediately recognised in profit or loss.

(b) Incentives, bonuses and profit-participation plans

The Group recognises a cost and a liability for its obligations for incentives, bonuses and profit-participation plans. The liability is recognised when the Group has a legal or constructive obligation and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(c) Termination benefits

The Group recognises a liability and personnel expense when it is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Group is demonstrably committed to a termination when, and only when, it has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(d) Share-based payments

The Group has granted additional benefits to its key management personnel in the form of equity-settled share based plans (e.g., stock options). Under IFRS 2 - Share-based payment, the fair value of the stock options calculated at the grant date using the Black & Scholes method is recognised as personnel expense in profit or loss on a straight-line basis over the vesting period, with a balancing entry recognised in equity.

The effects of the non-market vesting conditions are not considered in the fair value measurement of the options granted, but are taken into account in measuring the number of expected exercisable options.

The Group revises its estimates of expected exercisable options at each reporting date.

The resulting effects are recognised in profit or loss over the vesting period with a balancing entry recognised in equity.

When the options are exercised, the amounts received from employees, net of directly attributable transaction costs, increase the share capital to the extent of the nominal amount of the issued shares. The remainder increases the share premium reserve.

Provisions for risks and charges, contingent liabilities

The provisions for risks and charges include specific costs and losses whose existence is certain or probable but whose amount or due date is unknown at the reporting date. Provisions are recognised when all the following conditions are met: (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; (iii) a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation or transfer it to third parties at the reporting date. Where the effect of the time value of money is material and the payment dates can be estimated reliably, the provision is discounted to present value. The Group recognises expected restructuring costs when a restructuring plan is formalised only if it has raised a valid expectation in those affected that it will carry out the restructuring. The liability accrued in the provisions for risks and charges is regularly adjusted for changes in estimated costs, expected timing and discount rates. Changes in estimates of provisions are recognised in the same income statement caption as the related addition. Disclosures about contingent liabilities, i.e.: (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; (ii) a present obligation that arises from past events, whose amount cannot be measured reliably or whose settlement will probably not require an outflow of resources embodying economic benefits are provided in the notes.

Leases

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the purpose of this assessment, the Group applies IFRS 16.

i. Model for lessees

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of buildings, the Group has elected not to separate non-lease components and instead accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, including the initial measurement of the lease liability adjusted by lease payments made at or before the commencement date, increased by initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the underlying asset or the site on which it is located, net of any lease incentives received.

The right-of-use assets are subsequently depreciated on a straight-line basis from the commencement date over the lease term, unless their ownership is transferred to the Group at the end of the lease term or, considering the right-of-use assets, it is expected that the Group will exercise a purchase option. In that case, the right-of-use asset is depreciated over its estimated useful life, determined on the same basis as for property and equipment. Furthermore, the right-of-use assets are regularly tested for impairment and adjusted for remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group’s incremental borrowing rate is calculated based on interest rates obtained from various external financing sources adjusted to reflect the lease terms and the leased asset:

- fixed payments (including in-substance fixed payments);
- variable lease payments for leases depending on an index or a rate, initially measured by reference to an index or rate at the commencement date;
- amounts expected to be payable under residual value guarantees; and
- the price of a purchase option, which the Group is reasonably certain to exercise, lease payments due in the optional renewal period, if the Group is reasonably certain to exercise the option to extend the lease, and termination penalties unless the Group is reasonably certain not to cancel the lease before the end of the lease term.

The lease liability is measured at amortised cost using the effective interest method and is remeasured to reflect a change in an index or a rate used to determine lease payments, a change in the amount expected to be payable under residual value guarantees, a change in the assessment of whether a purchase, extension or termination option is reasonably certain to be exercised, or a revision of in-substance fixed payments.

When a lease liability is remeasured, the lessee adjusts the related right-of-use asset accordingly. If the carrying amount is decreased to zero, the lessee recognises the adjustment in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property under “Right-of-use assets” and lease liabilities under “Lease liabilities” in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. It recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. Model for lessors

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

At the inception of the lease, the Group determines whether each lease is a finance lease or an operating lease.

To this end, it makes an overall assessment of whether the lease transfers substantially all of the risks and rewards of ownership of the underlying asset. In this case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the useful life of the underlying asset.

With regard to sub-leases, as intermediary lessor, the Group accounts for its interest in the head lease and the sub-lease separately. To this end, the Group classifies the sub-lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset. If the head lease is a short-term lease to which the Group applies the aforementioned exemption, the sub-lease is classified as an operating lease.

If a contract contains a lease component and one or more non-lease components, the Group applies IFRS 15 to allocate the contract consideration.

The Group applies the derecognition and impairment losses requirements of IFRS 9 to the net investment in a lease (reference should be made to note 45(R)(i)). It periodically revises the estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises the lease payments associated with operating leases as income on a straight-line basis over the lease term under "Other revenue and income".

In general, the accounting policies applied by the Group as a lessor in the previous year did not differ significantly from the IFRS 16 requirements, except for the sub-lease entered into during the year, which has been classified as a finance lease.

Income taxes

(a) Current taxes

Current taxes are recognised by each group company on the basis of their estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date, taking into account any domestic tax consolidation arrangements, applicable exemptions and tax assets.

(b) Deferred taxes

Under IAS 12 - Income taxes, deferred taxes are calculated for all temporary differences between the assets' and liabilities' tax bases and carrying amounts, except in two cases: (i) goodwill arising from a business combination, (ii) the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are respectively classified as non-current assets and liabilities. They are offset at individual company level if related to taxes that can be legally offset. The resulting balance, if positive, is recognised as a deferred tax asset and, if negative, as a deferred tax liability. Current and deferred taxes related to transactions directly affecting equity are recognised in equity. The Group recognises deferred tax assets to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised. The carrying amount of a deferred tax asset 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 the benefit of part or all of that deferred tax asset to be utilised. Deferred taxes on undistributed profits of the group companies are recognised only if the company really intends to distribute such profits and, in any case, if there are no tax consolidation arrangements cancelling their taxation.

Revenue recognition

IFRS 15 requires an entity to recognise revenue at the amount of consideration to which it expects to be entitled in exchange for transferring promised goods or services to a customer.

Based on the above, IFRS 15 provides an articulated and detailed series of requirements that, as a whole, make up the new single model for the recognition of revenue from contracts with customers. The model provides for the following five steps:

- step 1 – identification of the contract;
- step 2 – identification of the performance obligations;
- step 3 – determination of the transaction price;
- step 4 – allocation of the transaction price to the performance obligations;

- step 5 – recognition of revenue when (or as) the entity satisfies the performance obligations.

Step 1 – identification of the contract

IFRS 15 defines a "contract" as an agreement between two or more parties that creates enforceable rights and obligations, specifying that enforceability of the rights and obligations in a contract is a matter of law. The contract may be approved in writing, orally or in accordance with other customary business practices.

Step 2 – identification of the performance obligations

At contract inception, an entity shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either:

a) a good or service (or a bundle of goods or services) that is distinct; or

b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A contract may include promises to transfer more than one good or service to a customer. An entity shall assess the goods or services promised in order to identify which good or service (or bundle of goods or services) that is promised to a customer is distinct and may constitute a separate performance obligation.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer;

b) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

If a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation.

Step 3 – determination of the transaction price

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The consideration may include fixed amounts, variable amounts, or both.

When determining the transaction price, the Group considers the effects of all of the following:

- variable consideration and constraining estimates of variable consideration;
- the existence of a significant financing component in the contract;
- non-cash consideration;
- consideration payable to a customer.

Step 4 – allocation of the transaction price to the performance obligations

The transaction price identified in step 3 is allocated to each performance obligation identified in step 2 on a relative stand-alone selling price basis.

Step 5 – recognition of revenue when (or as) the entity satisfies the performance obligations

An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Group considers the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date.

When recognising revenue over time from the provision of design and engineering services, the Group measures the progress towards complete satisfaction of that performance obligation using the percentage of completion method on a cost-to cost-basis.

Incremental costs of obtaining contracts

An entity shall recognise as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission).

As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

An asset recognised for incremental costs of obtaining a contract is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract assets and liabilities

An entity shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment. An entity shall present any unconditional rights to consideration separately as a receivable.

If an entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is an entity’s right to consideration in exchange for goods or services that the entity has transferred to a customer. The Group assesses a contract asset for impairment in accordance with IFRS 9.

If a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (i.e., a receivable), before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

Licensing

A licence establishes a customer’s rights to the intellectual property of an entity.

If the promise to grant the licence is a separate performance obligation, an entity shall not apply the general revenue recognition model but the specific guidelines set out in Appendix B to the standard and described below.

- revenue shall be recognised at a point in time if the entity’s promise is to provide the customer with a right to use its intellectual property as it exists at the point in time at which the licence is granted;
- revenue shall be recognised over time if the entity’s promise is to provide the customer with a right to access its intellectual property as it exists throughout the licence period.

  Notwithstanding the nature of the licence (“right to use” or “right to access”), an entity shall recognise revenue for a sales-based or usage-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

  a) the subsequent sale or usage occurs; and

  b) the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Dividend distribution

The Group recognises a liability for dividends to be distributed when the distribution has been approved by the shareholders.

Earnings or losses per share

Basic earnings or losses per share are calculated by dividing the profit or loss for the year attributable to the owners of the parent’s ordinary shares by the weighted average number of ordinary shares outstanding during the year. Diluted earnings or losses per share are derived by adjusting the weighted average number of outstanding shares for all potential ordinary shares with a dilutive effect.

Events after the reporting date

The events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date (31 December for the Group) and the date when the financial statements are authorised for issue. Two types of events can be identified: (i) those that provide evidence of conditions that existed at the reporting date and (ii) those that are indicative of conditions that arose after the reporting date.

In accordance with IAS 10 - Events after the reporting period, in the first case (i) the Group adjusts the carrying amounts for the events that occurred after the reporting date and in the second case (ii) the Group does not adjust the carrying amounts, but discloses the events held significant in the notes.

Reference should be made to the “Other information” section of the directors’ report for further details.

Statement of cash flows

The statement of cash flows is presented in accordance with the indirect method allowed by IAS 7 - Statement of cash flows.

Repayments of loans and receivables, recognised under IFRIC 4 - Determining whether an arrangement contains a lease, are recognised as cash flows from investing activities at the line “Repayment of loans and receivables - third parties”, in line with the definition of investing activities set out in IAS 7, with the Group’s financial position and net financial debt structures and in accordance with IAS 7.16-f.

ASSESSMENTS THAT AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Going concern

The estimated effects of Covid-19 for 2020

In 2020, the Group was affected by downturns in activities and/or cancellations of orders due to the Coronavirus (especially on the Chinese market and for certain services provided in Italy). The estimated effect of Covid-19 on consolidated revenue is a reduction of about €6.5 million compared to pre-Coronavirus forecasts. As mentioned above, the impact of the public health emergency on the various markets varies. Approximately 89% of the decrease is attributable to the Chinese market (where the lock-down affected most of the first half of the year), whereas roughly 11% is related to the Italian services offered to various markets and customers that the Group was unable to provide as a result of the lock-down period imposed in Italy, the border closures and certain customers’ internal policies imposing a travel ban that all prevented the performance of commercial and operating activities. Taking into account the estimated effects already incurred in 2020, the outlook for the entire 2021 does not currently anticipate additional adverse impacts caused by Covid-19.

The decrease in revenue due to the Coronavirus, as detailed above, led to losses of approximately €2.2 million affecting the Group’s operating loss for 2020 compared to the expected loss.

Group’s performance, outlook and going concern issues

As mentioned earlier, the performance of the sectors/markets in which the Group operates is adversely affected by the simultaneous existence of two overlapping problems:

- the continuation of the negative economic cycle of the global automotive industry;
- the Covid-19 pandemic, which exacerbated the sluggish conditions of the Group’s reference market, slowing down the acquisition of new contracts and/or reducing expected contract profit margins.

The impacts of the automotive sector’s negative cycle on the Group’s financial position and performance began in the second half of 2018 with an acceleration of this negative trend a year later. With the spread of the Covid-19 pandemic, starting from the end of the first quarter of 2020, the above trend was amplified and it is now generally accepted that a return to market conditions similar to the pre-Covid-19 period (more stable and profitable) will not occur in the next two/three years.

In this environment of weak reference markets and given the expectations about their future performance, the parent is tackling three closely related issues:

- maintaining an appropriate level of liquidity for the Group’s requirements;
- protecting the capitalisation level required by the law and bank agreements;
- creating the conditions for restoring profitability as soon as possible.

With reference to the liquidity issue, at the beginning of 2020, the parent received a €20 million loan from its majority shareholder, PF Holdings B.V., usable by the Group for any financial requirements. As discussed earlier, the loan (never used) was replaced by an irrevocable capital injection from the majority shareholder for future capital increases disbursed in November 2020. Thanks to the above capital injection, the parent’s and Group’s liquidity at the reporting date increased compared to the previous year end, despite the cash outflows principally caused by the redundancy and corporate reorganisation plans implemented in Italy. To further improve the Group’s liquidity, the subsidiary Pininfarina Deutschland Holding GmbH sold one of its buildings for €5.1 million, €1 million of which was received in 2020, while the remainder will be paid in February 2021. In December 2020, the German subsidiary used the proceeds from the sale to extinguish a short-term credit line. Considering the nature of the Group’s customers, there are no particular collection issues as there are no past due amounts which may affect the Group’s cash flows from operating activities.

In the foreseeable future, the following should be taken into account: the parent's net financial position amounts to €4.7 million, comprising cash and cash equivalents and financial assets of €27.3 million and loans and borrowings of €3.7 million, whose current portion amounts to €3.7 million. The Group's net financial position amounts to €2.4 million at the reporting date. According to the 12-month cash budget prepared by the directors, the parent's and Group's financial resources at the reporting date are adequate to cover the expected operating cash outflows, which are expected to exceed inflows again in 2021, as well as the outlays necessary to complete the winding up procedure of Pininfarina Engineering S.r.l. in liquidation, to implement the parent's planned restructuring measures and to repay the current portion of loans and borrowings when they become due. The cash flow projections prepared by the directors take into account the potential proceeds from the possible subscription of the proposed capital increase, which are estimated to be an additional approximate €6 million, including from the market. In a worst-case scenario, without taking into account the as yet uncollected proceeds from the forthcoming capital increase, the Group's cash and cash equivalents are presently believed to be sufficient to meet the currently foreseeable financial requirements for the next 12 months.

In order to comply with the requirements of the Italian Civil Code governing share capital protection, the parent must monitor its equity at consolidation level closely. Indeed, the only financial covenant provided for by the existing debt restructuring agreement is a minimum level of €30 million. As mentioned earlier, in order to strengthen the parent's financial position, in November 2020, the majority shareholder, PF Holding BV, irrevocably injected €20 million into the parent for future capital increases. Specifically, the injection is necessary for the capital increase announced by the Board of Directors that should be carried out in the first half of 2021. Upon completion of the capital increase, the parent expects that its equity will increase by roughly €6 million in addition to the €20 million mentioned above, following the possible subscription of shares by the market. Considering the increase in equity resulting from the proposed capital increase, as well as the parent's and Group's forecast performance on a going concern basis, their capitalisation levels are suitable and sufficient to comply with the financial covenant at the next assessment date of 31 March 2021. Moreover, the Mahindra Group has provided a surety that is enforceable if the parent fails to meet its obligations under the rescheduling agreement.

Based on the assessment dates planned for the 12 months after the reporting date, the Group's capitalisation level is deemed to be adequate, even in a worst-case scenario that does not consider the possible proceeds from the capital increase raised on the market.

In order to tackle their performance issues and return to a profit-making position, considering the market performance of the last two years and currently foreseeable outlook, the parent and the Group have adopted the following measures:

- winding-up of the subsidiary Pininfarina Engineering S.r.l., given the market conditions and its no longer sustainable performance. The procedure affected 135 employees;
- implementation of a redundancy plan for Pininfarina Deutschland GmbH, involving 46 people (approximately 20% of its workforce);
- reduction of the number of direct and indirect staff working at Pininfarina S.p.A. in 2020, in order to bring the professional skills and number of resources into line with the current market requirements;
- implementation of a plan to reduce operating expense and overheads for all group companies, also by increasing resort to outsourcing in some cases;
- development of new commercial projects to better enhance the potential of the group services to meet the continuous changes in market demand.

On 18 December 2020, via a referendum, the majority of the employees of Pininfarina Engineering S.r.l. in liquidation voted in favour of the proposed agreement with the company, which signed the related collective redundancy agreements with the relevant trade unions.

A restructuring provision has been recognised to fully cover the obligations reasonably foreseeable to date on the basis of the collective trade union agreements, the legal requirements, the individual agreements signed and, given the usual outcome of these procedures, the possible refusal to participate in the plan envisaged by the collective agreements by employees who oppose the agreement.

As part of the redundancy plan for Pininfarina Deutschland GmbH, involving 46 people, the subsidiary has already signed most of the individual agreements stipulating the related financial terms.

Cost cutting will continue in the near future, in line with the ban on dismissals currently imposed by Italian legislation.

The current market situation, which reflects social difficulties that are well known throughout the world, is one of the most difficult in recent decades, particularly in the market sectors in which the Pininfarina Group operates. The demand for services continues to be strong in some segments (design-related activities) and much less so in others (pure engineering based on technical deliverables). There is a visible steady decline in the prices offered in all market segments. In order to deal with this situation, the parent is rapidly redirecting its available resources towards those activities considered most likely to generate profits. Indeed, upon completion of the cost containment and personnel redundancy plans mentioned above that the Group has already launched, together with the completion of the remaining planned measures, the parent and the Group will have a new strategic profile, focused on the design sector, which is considered to have greater potential in terms of profitability and volumes in the medium term.

The current dramatic pandemic situation and the turbulence in the automotive market are having a negative impact on the medium-term outlook. Nevertheless, the Group is making every effort to be ready to seize market opportunities, which will inevitably be better than the current ones, once the pandemic ends.

In this scenario, the directors have drawn up forward-looking scenarios, taking into account the estimated sales volumes on the basis of discussions with the main customers, the current order backlog and a prudent estimate of its changes in the medium term. The projected costs take into account the new post-restructuring cost positioning, the streamlining of internal resources aimed at eliminating inefficiency in the revised group structure and the use of outsourcing at competitive prices of part of the engineering activities in the design and engineering market served by the German subsidiary, as a means of further reducing costs and consequently increasing profit margins. These scenarios show that the restructuring and refocusing actions undertaken by the Group will still require the use of operating cash flows in the short term and that financial stability will be restored in the medium term, in tandem with an expected partial upswing in sales volumes, which are expected to remain at current levels at least in the near future. The Group's ability to continue as a going concern will require significant efforts in terms of sales volumes, cost containment and costs to win future contracts given the situation outlined above.

According to the directors, given the issues described above, there is significant uncertainty about the achievement of the production volumes and profitability goals underlying the projections, as they depend on the recovery of the markets in which the Group and the parent operate in the medium term and the success of the actions taken to create the conditions for them to return to financial stability. This uncertainty may cast material doubts as to their ability to continue as going concerns.

Notwithstanding the above, the directors deem that all measures to limit operating cash outflows and all possible measures to contain costs have been implemented. They have assessed existing and prospective projects based on commercial relationships with customers, which show that the pre-Coronavirus targets are achievable in the next few years, as well as the Group's available financial resources. After having carried out all relevant checks and evaluated the above uncertainty, management reasonably expects that the parent and the Group have sufficient resources available to continue their operations for the foreseeable future, as provided for by the IFRS. Due to the above reasons, the directors deem it correct to prepare this annual financial report on a going concern basis.

(b) Additions to the provisions for risks and charges and contingent liabilities and contingent assets

Provisions for risks and charges are liabilities whose due date and amount are uncertain. The directors measure them based on the estimated costs to be incurred to extinguish the obligation at the reporting date.

Contingent liabilities and assets are not recognised in the financial statements in accordance with paragraphs 27 and 31, respectively, of IAS 37 - Provisions, contingent liabilities and contingent assets.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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

Where necessary, the directors make their estimates with the assistance of their legal advisors and experts.

(c) Impairment

The scope of the impairment test is to check whether the group companies' non-current assets are impaired.

In order to perform the impairment test, cash-generating units are identified, along with estimates of their value in use, any impairment losses and the assets attributable to them.

As a result of the non-recurring transactions carried out in 2018 and 2019, starting from 1 January 2019, the new reportable segments are the following:

- the design segment;
- the engineering segment.

The Group has adopted an impairment testing procedure pursuant to IAS 36, approved by the Board of Directors on 17 February 2020.

With regard to the design segment, the following CGUs/activities were identified to be tested for impairment:

- other design activities: all other activities related to the design segment, currently carried out by Pininfarina S.p.A.. Goodwill was allocated to this CGU;
- Pininfarina Shanghai Co. Ltd;
- Pininfarina of America Corp.;
- the wind tunnel;
- the building and other assets related to the Bairo Canavese production facility, which is waiting to be repurposed for production after the termination of a business lease on 31 December 2019;
- the building and other assets related to the San Giorgio production facility, currently idle;
- other minor buildings.

With regard to the engineering segment, the following CGUs/assets were identified:

- engineering Italy, comprising all assets and operations transferred to Pininfarina Engineering S.r.l. in liquidation (PF ENG) on 1 July 2018;
- engineering Germany, comprising all activities carried out by the German subsidiary Pininfarina Deutschland GmbH;
- buildings owned in Germany by the German subsidiary Pininfarina Deutschland Holding GmbH.

During the year, the parent appointed an independent expert, Mr. Fabrizio Bava, to draw up a report on impairment testing pursuant to IAS 36 for the purposes of the preparation of its separate and consolidated financial statements.

The directors identified the following CGUs and adopted the following approach for consolidated financial statements purposes:

- the other design activities CGU was tested for impairment as it recorded a loss for the year and the 2021 budget approved by the Board of Directors on 11 January 2021 forecasts further losses. Based on the above, one of the trigger events provided for by IAS 36.12 was identified, since evidence is available from internal reporting that “the economic performance of an asset is, or will be, worse than expected”;
- the carrying amount of the Bairo Canavese and San Giorgio Canavese CGUs (comprised of the related buildings) have been compared to the related fair values, based on updated appraisals;
- the carrying amount of the other buildings CGU was found to be higher than its fair value less costs to sell and, accordingly, a €0.1 million impairment loss has been recognised;
- no indicators of impairment have been identified for the other CGUs of the design segment;
- the engineering Italy CGU, relating to Pininfarina Engineering S.r.l. in liquidation, is being wound up and, therefore, will no longer generate future cash flows through continuing use. The parent has adjusted the carrying amount of the related intangible assets and property, plant and equipment to their realisable value;
- the engineering Germany CGU recorded a loss for the year. It was affected by a major restructuring process. Based on the above, one of the trigger events provided for by IAS 36.12 was identified, since evidence is available from internal reporting that “the economic performance of an asset is, or will be, worse than expected”.

The directors adopted the following approach to account for the parent’s equity investments in its separate financial statements:

- the investment in Pininfarina Engineering S.r.l. in liquidation was tested for impairment as was the related CGU. Pininfarina Engineering S.r.l. in liquidation’s equity value is equal to that of its investment in Pininfarina Deutschland GmbH;
- no specific triggers have been identified in relation to the other equity investments and, therefore, they have not been tested for impairment.

Cash flows are forecast by directors based on reasonable and supportable assumptions that represent their best estimate of the future economic conditions.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

In accordance with the Annual enforcement priorities issued by ESMA on 28 October 2020, the company considered the following when testing its assets for impairment:

- as disclosed in the relevant notes, the carrying amounts of the other design activities CGU are equal to the fair value of the Cambiano buildings, as confirmed by recent appraisals prepared by real estate experts;
- the Bairo and San Giorgio Canavese buildings are not used and their carrying amounts equal their fair value, as confirmed by recent appraisals prepared by real estate experts;
- the assets and liabilities of the engineering Italy CGU, which does not have a value in use as it is being wound up, have been measured at their net realisable value;
- as discussed in the relevant notes, the parent revisited the assumptions used for testing the engineering Germany CGU for impairment. In order to account for the high level of uncertainty in future estimates, the directors have prepared future cash flow projections on a prudent basis, considering a market recovery only in the medium term to three years, and maintained a zero growth rate to estimate the terminal value in their impairment testing model.

(d) Fair value measurement and hierarchy for financial instruments

Pursuant to IFRS 7 – Financial instruments: Disclosures, the classification of financial instruments at fair value is based on the quality of the inputs used for measurement purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities. This category includes financial assets classified as “held for trading”, which are mainly government bonds and high-rating bonds.
- Level 2: fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. These consolidated financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the inputs of which are not based on observable market data. These consolidated financial statements do not present any financial instruments of this type.

(e) Current and deferred taxes

Current taxes are calculated on the basis of a best estimate of the tax expense for the year, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are measured on the basis of the parent’s and Group’s expectations on how the carrying amount of their assets and liabilities will be recovered/extinguished, subject to the probability that they will earn future taxable profit. Deferred tax assets and liabilities are measured on the basis of tax rates that are expected to be applicable when the assets will be realised or the liabilities will be extinguished, therefore based on tax rates or changes to tax laws that have been enacted by the reporting date.

(f) Italian post-employment benefits

Following the supplementary pension reform, the portion of Italian post-employment benefits vested before 1 January 2007 is considered to be a defined benefit under IAS 19 - Employee benefits. Under defined benefit plans, the amount of the benefit due to the employee upon termination of employment depends on different factors, such as age, seniority and remuneration. Despite being prudently estimated and based on internal historical figures, these estimated parameters may be subject to change.

The directors estimated the post-employment benefit obligation assisted by an independent expert included in the Italian Actuary Register.

(g) Stock option plans

The Group’s stock option plan is reserved for the parent’s key management personnel and is aimed at incentivising their achievement of the parent’s objectives and enhancing their loyalty to the parent.

The options are measured using the Black-Scholes valuation approach.

The directors calculated the carrying amounts relating to the stock option plan with the assistance of an independent expert

TYPES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

The financial instruments held by the Group include:

- cash and cash equivalents;
- current financial assets at fair value through profit or loss;
- non-current loan liabilities;
- trade receivables and payables, loans and receivables - related parties and contract assets and liabilities;

• other current financial assets and liabilities.

As required by IFRS 7, the table below lists the types of financial instruments included in the consolidated financial statements and shows the measurement criteria adopted:

	Financial instruments at fair value through: profit or loss	Financial instruments at fair value through: equity	Fair value hierarchy	Financial instruments at amortised cost	Equity investments at cost	Carrying amount at 31.12.2020	Carrying amount at 31.12.2019
Assets:							
Equity investments in other companies	-	-		-	252,017	252,017	252,017
Loans and receivables	-	-		550,000	-	550,000	550,000
Contract assets	-	-		4,575,923		4,575,923	4,616,785
Trade receivables and other assets	**-**	**-**		**20,951,458**	**-**	**20,951,458**	**40,004,096**
Liabilities:							
Contract liabilities	-	-		6,060,721	-	6,060,721	14,624,300
Other loans and borrowings	-	-		26,692,047	-	26,692,047	32,693,688
Trade payables and other liabilities	**-**	**-**		**18,399,554**	**-**	**18,399,554**	**21,323,952**

In addition, net cash and cash equivalents are measured at fair value which usually equals their nominal amount.

Pursuant to IFRS 7 – Financial instruments: Disclosures, the classification of financial instruments at fair value is based on the quality of the inputs used for measurement purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities.
- Level 2: fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. These consolidated financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the inputs of which are not based on observable market data. These consolidated financial statements do not present any financial instruments of this type.

FINANCIAL RISK MANAGEMENT

Financial risk factors, as identified in IFRS 7 – Financial instruments: Disclosures, are described below:

- Market risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices. Market risk includes the following other types of risk: currency risk, interest rate risk and price risk.
- Currency risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in exchange rates.
- Interest rate risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in interest rates.
- Price risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices (other than changes covered by the interest rate and currency risks), irrespective as to whether such fluctuations are determined by factors specific to the financial instrument or its issuer or by factors that affect all similar market-traded financial instruments.
- Credit risk: the risk that one of the parties causes the other party to incur a financial loss by failing to fulfil an obligation.
- Liquidity risk: the risk that an entity may be unable to fulfil obligations associated with financial liabilities.

(a) Currency risk

The Group entered into most of its financial instruments in Euros, which is its functional and presentation currency. Although it operates in an international environment, its exposure to fluctuations in exchange rates is limited to the following currencies against the Euro: US dollar (USD), and Chinese renminbi (CNY).

(b) Interest rate risk

The Restructuring Agreement signed by Pininfarina S.p.A. with the lending institutions, effective from 30 May 2016 to 31 December 2025, defined a fixed contractual interest rate of 0.25% per annum, based on a year of 360 days.

If the six-month Euribor exceeds 4% during an interest accruing period, the contractual interest rate will be increased by the difference between the actual six-month Euribor and 4%.

A breakdown of the Group's financial debt by fixed and variable interest rates is as follows:

	31.12.2020	**%**	31.12.2019	%
- Fixed rate	**22,052,198**	**99.6%**	23,948,046	90.7%
- Variable rate	**93,597**	**0.4%**	2,458,172	9.3%
Gross financial debt with third parties	**22,145,795**	**100.0%**	26,406,218	100.0%

(c) Price risk

The Group mainly carries out design and engineering activities, therefore it is not significantly exposed to price risk on the commodities it purchases.

(d) Credit risk

The Group is exposed to credit risk, defined as the probability of an impairment loss on exposures with a commercial or financial counterparty. With reference to commercial transactions, the Group's most significant projects have a limited number of counterparties, most of which may be qualified as of a primary credit standing. At group level, credit risk is especially concentrated in Asia (Iran, India and China).

Counterparty risk in the case of countries in which the Group does not usually undertake commercial transactions is analysed and assessed at the offering phase in order to identify and mitigate any solvency risk.

Despite the global Covid-19 pandemic, since it mainly operates with counterparties of high credit standing, the Group's credit risk on existing trade receivables has not significantly increased. Only the Chinese subsidiary Pininfarina Shanghai has recognised a specific loss allowance of €466 thousand for one of its exposures.

The Group operates in markets that are or have been recently affected by geopolitical or financial tensions. Specifically, the following exposures are considered to bear solvency risk::

	Iran
(€'000)	
Assets	3,040
Contract liabilities	1,468
Net exposure	**1,572**

Lastly, as disclosed in the specific section, the receivables related to certain contracts may remain unpaid, be renegotiated or cancelled. Specifically, in the reporting period, the Group recognised impairment losses on some of the Chinese subsidiary's receivables (€466 thousand).

Reference should be made to the relevant note for a breakdown of trade receivables by geographical segment.

(e) Liquidity risk

In brief, the Rescheduling Agreement effective as of 30 May 2016 entailed:

- settlement and extinguishment of 56.74% of the nominal amount of the parent's debt with the lending institutions that accepted this option, in addition to the interest accrued up to the effective date;
- the rescheduling of the nominal amount of the debt with the lending institutions that accepted this option, totalling €41.5 million, from 2016 to 2025;
- the application of a fixed interest rate of 0.25% per annum, based on a year of 360 days, increased by the difference between this rate and the six-month Euribor, should the latter exceed 4%.

The cash flows of the above-mentioned agreement have been determined on the basis of the 2016-2025 business plan that ensures the parent's financial stability.

Consequently, over the medium to long term, the liquidity risk is directly correlated to the achievement of the business plan targets.

A breakdown of the contractual amount of the Group's financial debt is set out below.

	Carrying amount 31.12.2020	Contractual cash flows	Of which: due within one year	Of which: due from one to five years	Of which: due after five years
Term financing	22,145,795	27,455,890	3,671,686	23,784,204	-
Other loans and borrowings - third parties	22,145,795	27,455,890	3,671,686	23,784,204	-

The Group holds net cash and cash equivalents of €28.5 million.

In February 2020, the parent signed a €20 million loan agreement with the Mahindra Group. The loan was replaced by an irrevocable capital injection from the majority shareholder for future capital increases disbursed in November 2020. As discussed in the "Going concern issues in the light of the Covid-19 pandemic" section, in the near future, also taking into account the as yet uncollected proceeds from the forthcoming capital increase, the company's cash and cash equivalents are believed to adequately meet the currently foreseeable financial requirements.

(f) Risk of default and debt covenants

This risk relates to the possibility that the new Rescheduling Agreement between Pininfarina S.p.A. and the lending institutions that came into force on 30 May 2016 may include acceleration clauses that would give rise to liquidity risk.

The Rescheduling Agreement requires that, as of the verification date of 31 March of each year, the financial covenant shall be at least equal to the minimum consolidated equity, i.e., €30 million. The covenant will be checked until the expiry of the loan in 2025.

The Mahindra Group provided a first demand surety to the lending institutions that is enforceable if Pininfarina S.p.A. fails to meet its obligations.

At 31 March 2020, the above-mentioned financial covenant was met and, although irrelevant for contractual purposes, it is still complied with at the reporting date. Should the minimum threshold be exceeded at 31 March 2021, the agreement would not be automatically terminated, as it provides for specific remedies and the lending banks can also waive their right to take action.

As discussed in the "Going concern" section of these notes, considering the increase in equity resulting from the proposed capital increase, as well as the parent's and Group's forecast performance on a going concern basis, their capitalisation levels are suitable and sufficient to comply with the financial covenant at the next assessment date of 31 March 2021. Moreover, the Mahindra Group has provided a surety that is enforceable if the parent fails to meet its obligations under the rescheduling agreement.

Based on the assessment dates planned for the 12 months after the reporting date, the Group's capitalisation level is deemed to be adequate, even in a worst-case scenario that does not consider the possible proceeds from the capital increase raised on the market.

(g) Business/market risk

The performance of the sectors/markets in which the Group operates is adversely affected by the simultaneous existence of two overlapping problems:

- the continuation of the negative economic cycle of the global automotive industry;
- the Covid-19 pandemic, which exacerbated the sluggish conditions of the Group's reference market, slowing down the acquisition of new contracts and/or reducing expected contract profit margins.

The impacts of the automotive sector's negative cycle on the Group's financial position and performance began in the second half of 2018 with an acceleration of this negative trend a year later. With the spread of the Covid-19 pandemic, starting from the end of the first quarter of 2020, the above trend was amplified and it is now generally accepted that a return to market conditions similar to the pre-Covid-19 period (more stable and profitable) will not occur in the next two/three years.

The current market situation, which reflects social difficulties that are well known throughout the world, is one of the most difficult in recent decades, particularly in the market sectors in which the company operates. The demand for services continues to be strong in some segments (design-related activities) and much less so in others (pure engineering based on technical deliverables). There is a visible steady decline in the prices offered in all market segments. In order to deal with this situation, the company is rapidly redirecting its available resources towards those activities considered most likely to generate profits. Indeed, upon completion of the cost containment and personnel redundancy plans mentioned above that the Group has already launched, together with the completion of the remaining planned measures, the company and the Group will have a new strategic profile, focused on the design sector, which is considered to have greater potential in terms of profitability and volumes in the medium term.

SEGMENT REPORTING

Identification of reportable segments

The Group has identified two reportable segments, as described below, which are its core business segments.

Operating segments are identified in accordance with paragraphs 5 to 10 of IFRS 8 – Operating segments.

Design segment

In addition to the revenue from the automotive and non-automotive design activities of all kinds, this segment includes revenue from architecture services, royalties for the use of the Pininfarina trademark, revenue from aerodynamic and aeroacoustics services and the costs arising from the parent’s property management.

The CGUs and assets comprised in the design segment are as follows:

- other design activities: all other activities related to the design segment, currently carried out by Pininfarina S.p.A.. Goodwill was allocated to this CGU;
- Pininfarina Shanghai Co. Ltd;
- Pininfarina of America Corp.;
- the wind tunnel;
- the building and other assets related to the Bairo Canavese production facility, which is waiting to be repurposed for production after the termination of a business lease on 31 December 2019;
- the building and other assets related to the San Giorgio production facility, currently idle;
- other minor buildings.

Engineering segment

This segment groups the automotive engineering services.

Its identified CGUs and assets are as follows:

- engineering Italy, comprising all assets and operations transferred to Pininfarina Engineering S.r.l. in liquidation on 1 July 2018;
- engineering Germany, comprising all activities carried out by the German subsidiary Pininfarina Deutschland GmbH;
- buildings owned in Germany by the German subsidiary Pininfarina Deutschland Holding GmbH.

The Group’s business segments are not affected by seasonal factors.

In accordance with IFRS 8.4, the Group presents segment reporting in its consolidated financial statements only.

Financial income and expense and income taxes are not allocated to the reporting segments because management makes the relevant decisions on an aggregate segment basis. Intra-segment transactions are carried out at market conditions.

Segment reporting at 31 December 2020 and 2019 is set out below. Amounts are in thousands of Euros.

	2020			2019		
	Design	**Engineering**	**Total**	Design	Engineering	Total
	A	**B**	**A + B**	A	B	A + B
Revenue	**47,074**	**29,705**	**76,779**	58,515	44,802	103,317
(Intra-segment revenue)	**(2,496)**	**(7,287)**	**(9,783)**	(3,784)	(9,135)	(12,919)
Revenue - third parties	**44,578**	**22,418**	**66,996**	54,731	35,667	90,398
Operating loss	**(10,750)**	**(10,798)**	**(21,548)**	(14,109)	(5,260)	(19,369)
Net financial expense			**(1,941)**			(1,469)
Dividends			**-**			-
Share of profit (loss) of equity-accounted investees	**13**	**-**	**13**	(2)	-	(2)
Loss before taxes	**-**	**-**	**(23,476)**	-	-	(20,840)
Income taxes	**-**	**-**	**(962)**	-	-	(2,235)

	2020			2019		
	Design	**Engineering**	**Total**	Design	Engineering	Total
	A	**B**	**A + B**	A	B	A + B
Loss from continuing operations	**-**	**-**	**(24,438)**	-	-	(23,075)
Other information required by IFRS 8:						
- Amortisation and depreciation	**(2,248)**	**(1,858)**	**(4,106)**	(3,018)	(1,901)	(4,918)
- Impairment losses	**(5,659)**	**(1,316)**	**(6,975)**	(9,271)	(18)	(9,289)
- Provisions/change in accounting estimates	**(285)**	**(3,110)**	**(3,396)**	(930)	(2,493)	(3,423)
- Net gains (losses) on the sale of non-current assets	**22**	**926**	**948**	(34)	-	(34)

The design and engineering segments are the operating segments whose operating results are regularly reviewed by the parent's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

At the reporting date, there are two customers of the engineering segment that each make up more than 10% of the Group's total production revenue: approximately €10 million (14.9%) and around €7.5 million (11.2%), respectively.

Reference should be made to the directors' report for an analysis of the segments.

A breakdown of assets and liabilities by business segment is set out below:

	31 December 2020			31 December 2019		
	Design	**Engineering**	**Total**	Design	Engineering	Total
Assets	**110,187**	**32,225**	**142,412**	119,140	50,904	170,045
Elimination of intragroup assets	**(21,471)**	**(17,747)**	**(39,218)**	(28,118)	(20,411)	(48,529)
Liabilities	**62,363**	**18,544**	**80,907**	60,470	29,796	90,266
Elimination of intragroup liabilities	**(9,496)**	**(2,453)**	**(11,949)**	(1,011)	(6,741)	(7,752)
Of which: other information required by IFRS 8:						
- Equity-accounted investments	**615**	**-**	**615**	602	-	602
- Intangible assets	**5,450**	**141**	**5,590**	5,450	642	6,092
- Property, plant and equipment and investment property	**32,428**	**523**	**32,952**	33,546	6,935	40,481
- Assets held for sale	**-**	**5,156**	**5,156**	290	1,529	1,819
- Employees	**297**	**342**	**639**	289	383	672

Sales are broken down by geographical segment below:

	2020	2019
Italy	**8,811**	7,975
EU	**31,856**	41,256
Non-EU countries	**25,153**	34,579
Change in contract assets	**(334)**	1,491
Revenue from sales and services	**65,486**	85,301

NOTES TO THE CAPTIONS

1. Property, plant and equipment

The other design activities CGU, which comprises the parent's net invested capital excluding the assets relating to Bairo Canavese and San Giorgio Canavese, the wind tunnel, the other minor buildings and equity investments, was tested for impairment as it recorded a loss for the year and the 2021 budget approved by the Board of Directors on 11 January 2021 forecasts further losses. Based on the above, one of the trigger events provided for by IAS 36.12 was identified, since evidence is available from internal reporting that "the economic performance of an asset is, or will be, worse than expected".

The value in use of the CGU in question was determined using the unlevered discounted cash flow method by determining the post-tax cash flow based on the 2021-2023 projections approved by the Board of Directors on 1 February 2021, discounted using a WACC rate of 7.77%. On a prudent basis, the growth rate used to calculate the terminal value was maintained at zero.

Cash flows were forecast by directors, based on reasonable and supportable assumptions that represent their best estimate of the future economic conditions. The discount rate used reflects current market assessments, the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

The recoverable amount of the other design activities CGU's net invested assets tested for impairment at 31 December 2020 was lower than their carrying amount; therefore, an impairment loss was recognised. As required by IAS 36, the impairment loss was proportionally allocated to the CGU's assets, the main ones of which are the Cambiano land and buildings. Based on a recent appraisal dated December 2020, the fair value of these land and buildings, comprising the related plant, exceeds their carrying amount.

In accordance with IAS 36, the impairment loss was therefore attributed proportionally to the other assets belonging to the CGU, specifically:

- property, plant and equipment other than the Cambiano building were impaired by €0.2 million;
- intangible assets were impaired by €0.1 million;
- right-of-use assets were impaired by €0.2 million;

The engineering Italy CGU, relating to Pininfarina Engineering S.r.l. in liquidation, is being wound up. Accordingly, the parent has adjusted its non-current assets to reflect their realisable value.

The engineering Germany CGU was tested for impairment, without identifying any impairment losses on its consolidated net assets, also considering their modest contribution to the consolidated figures.

Changes in property, plant and equipment and an analysis of the items making up the captions are set out below.

	Land	Buildings	Total
Historical cost	12,001,743	64,715,778	76,717,521
Accumulated depreciation and impairment losses	(6,635,807)	(41,311,323)	(47,947,130)
Carrying amount at 31 December 2019	**5,365,936**	**23,404,455**	**28,770,391**
Additions	-	287,024	287,024
Depreciation	-	(1,069,343)	(1,069,343)
Impairment losses	-	(95,706)	(95,706)
Carrying amount at 31 December 2020	**5,365,936**	**22,526,430**	**27,892,366**
Of which:			
Historical cost	12,001,743	65,002,802	77,004,545
Accumulated depreciation and impairment losses	(6,635,807)	(42,476,372)	(49,112,179)

Land and buildings include the carrying amounts of real estate complexes, comprising the production facilities located in Via Castellamonte 6, Bairo Canavese (TO) and Strada provinciale per Caluso, San Giorgio Canavese (TO), the design and engineering site in Via Nazionale 30, Cambiano (TO) and a property in Beinasco (TO).

In early 2020, the Group sold the land close to the San Giorgio Canavese production facility, which had been reclassified to assets held for sale at the previous year end. The land was sold at a price equal to its carrying amount.

The Bairo Canavese production facility has not been used since 31 December 2019, when its lease ended, and has a carrying amount of €12 million, including land and building of €11.1 million and plant of €1 million. The Group compared its carrying amount to its fair value calculated considering the facility's appraised value. The carrying amount of the facility was found to be in line with the appraisal prepared in December 2020 and, therefore, the Group did not recognise any impairment loss.

The San Giorgio Canavese production facility has not been used since the end of 2015. The Group compared its carrying amount of €4.2 million to its fair value calculated considering the facility's appraised value. The carrying amount of the facility was found to be in line with the appraisal prepared in December 2020 and, therefore, the Group did not recognise any impairment loss.

Impairment losses on buildings relate to the other minor buildings CGU and, specifically, the impairment loss on the Beinasco (Turin) building for commercial use recognised to bring its carrying amount into line with its recoverable amount.

All land and buildings located in Italy are owned by Pininfarina S.p.A..

	Machinery	Plant	Total
Historical cost	7,081,027	85,754,264	92,835,291
Accumulated depreciation and impairment losses	(6,994,246)	(81,363,186)	(88,357,432)
Carrying amount at 31 December 2019	**86,781**	**4,391,078**	**4,477,859**
Additions	-	663,248	663,248
Depreciation	(10,109)	(706,603)	(716,712)
Impairment losses	-	(240,683)	(240,683)
Carrying amount at 31 December 2020	**76,672**	**4,107,040**	**4,183,712**
Of which:			
Historical cost	7,081,027	86,417,512	93,498,539
Accumulated depreciation and impairment losses	(7,004,355)	(82,310,472)	(89,314,827)

Plant and machinery at 31 December 2020 include plant and machinery based at the Cambiano facility and plant located at the Bairo Canavese facility, which comprises electricity and heating systems, whose carrying amounts are supported by the above-mentioned appraisal. Additions of the year are mainly due to air conditioning and heating systems installed at the Cambiano facility.

The impairment losses on "Plant" are those recognised by Pininfarina Engineering S.r.l. in liquidation to bring its assets' carrying amount into line with their realisable value after commencement of its winding up procedure.

	Furniture and fixtures	Hardware and software	Other assets	Total
Historical cost	3,996,533	6,979,554	1,298,915	12,275,002
Accumulated depreciation and impairment losses	(3,289,528)	(6,475,346)	(907,475)	(10,672,349)
Carrying amount at 31 December 2019	**707,005**	**504,208**	**391,440**	**1,602,653**
Additions	41,904	214,257	92,852	349,013
Disposals: Historical cost	-	-	(97,060)	(97,060)
Disposals: Acc. depreciation and imp. losses	-	-	80,437	80,437
Depreciation	(124,918)	(155,595)	(96,784)	(377,297)
Impairment losses	(71,691)	(411,466)	(268,552)	(751,709)
Reclassifications	(9,001)	(25,451)	(14,555)	(49,007)
Other changes	6,415	20,063	7,084	33,562
Carrying amount at 31 December 2020	**549,714**	**146,016**	**94,862**	**790,592**
Of which:				
Historical cost	4,029,436	7,168,360	1,280,152	12,477,948
Accumulated depreciation and impairment losses	(3,479,722)	(7,022,344)	(1,185,290)	(11,687,356)

The disposals relating to "Other assets" refer to the sale of a company car.

Additions to hardware and software for the year relate to the purchase of IT equipment for technological upgrading, mainly attributable to the parent.

The Group recognised impairment losses on all three categories of assets to bring the carrying amount of the other design activities CGU, pertaining to the parent, into line with its recoverable amount (€197,133) and that of Pininfarina Engineering S.r.l. in liquidation's assets into line with their realisable value (€172,149) after commencement of its winding up procedure.

2. Investment property/non-current assets held for sale

The Group's investment property consists of a building owned by Pininfarina Deutschland Holding GmbH in Renningen, near Stuttgart, Germany, which is leased to third parties and has been reclassified to non-current assets held for sale in accordance with IFRS 5.

In September, the subsidiary signed a letter of intent for the sale of such building for a consideration equal to its carrying amount and to be completed by the end of February 2021. It collected a deposit of €1,000,000 at the end of October 2021. Hence, it reclassified the building to non-current assets held for sale.

The building is mortgaged to secure a loan received by the German subsidiary (€52,465) and its bank overdraft (€41,132). Upon completion of the sale, the mortgage will be released.

	Land	Buildings	Total
Historical cost	4,918,589	11,085,256	16,003,845
Accumulated depreciation and impairment losses	-	(10,506,284)	(10,506,284)
Carrying amount at 31 December 2019	**4,918,589**	**578,972**	**5,497,561**
Reclassification: Historical cost	(4,918,589)	(11,085,256)	(16,003,845)
Reclassification: Acc. depreciation and imp. losses	-	10,848,263	10,848,263
Depreciation	-	(346,048)	(346,048)
Other changes	-	4,069	4,069
Carrying amount at 31 December 2020	**-**	**-**	**-**
Of which:			
Historical cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-

3. Intangible assets

The carrying amount of intangible assets at 31 December 2020 slightly decreased to €5.6 million.

	Goodwill	Licences	Other	Total
Historical cost	1,043,495	7,245,674	8,195,119	16,484,288
Accumulated amortisation and impairment losses	(1,043,495)	(6,798,824)	(2,550,235)	(10,392,554)
Carrying amount at 31 December 2019	**-**	**446,850**	**5,644,884**	**6,091,734**
Additions	-	146,847	-	146,847
Amortisation	-	(123,917)	(50,858)	(174,775)
Impairment losses	-	(469,780)	-	(469,780)
Reclassifications	-	-	(3,850)	(3,850)
Carrying amount at 31 December 2020	**-**	**-**	**5,590,176**	**5,590,176**
Of which:				
Historical cost	1,043,495	7,392,521	8,191,269	16,627,285
Accumulated amortisation and impairment losses	(1,043,495)	(7,392,521)	(2,601,093)	(11,037,109)

The Group recognised impairment losses on its licences to bring the carrying amount of the other design activities CGU, pertaining to the parent, into line with its recoverable amount (€116,888) and that of Pininfarina Engineering S.r.l. in liquidation's assets into line with their realisable value (€352,892) after commencement of its winding up procedure.

"Other" includes the capitalisation of an advisory services agreement that the parent signed in connection with a long-term engineering contract.

The asset was recognised in 2018 at an amount equal to the liability with the supplier (see note 16) discounted on the basis of the payment plan agreed with it. Since the engineering contract has been suspended, the related asset's amortisation and contractual payments have also been suspended, pending developments in the end customer's situation.

4. Right-of-use assets and lease liabilities

This caption is required by IFRS 16 and shows the right to use the leased assets as per the leases signed by the group companies, mainly buildings housing their offices.

(a) Right-of-use assets

	2020		2019	
	Cars and other assets	**Land and buildings**	**Cars and other assets**	**Land and buildings**
Opening balance	**482,522**	**5,302,493**	695,153	6,167,833
Increase	**328,707**	**402,549**	382,125	233,105
Depreciation	**(328,699)**	**(1,093,486)**	(366,592)	(1,098,445)
Impairment losses	**(206,247)**	**-**	(228,163)	-
Derecognition of Pininfarina Engineering S.r.l. in liquidation	**(136,547)**	**(1,159,035)**	-	-
Reclassifications	**(30,799)**	**(4,118)**	-	-
Closing balance	**108,937**	**3,448,403**	482,522	5,302,493

The Group recognised impairment losses on its right-of-use assets to bring the carrying amount of the other design activities CGU into line with its recoverable amount.

Due to its winding up, Pininfarina Engineering S.r.l. in liquidation notified the lessors of the termination of the leases of offices and company cars.

Since the office lease will end on 31 March 2021, the subsidiary has derecognised the right-of-use assets and lease liabilities previously recognised under IFRS 16. It has also recognised all costs arising from the early termination of the lease in 2020.

The car leases will gradually end within the end of the second half of 2021. Therefore, the subsidiary has again applied the above accounting treatment.

(b) Amounts recognised in profit or loss

	2020	**2019**
Depreciation of right-of-use assets	**(1,422,185)**	(1,465,037)
Interest expense on lease liabilities	**(285,271)**	(320,890)
Impairment losses	**(1,501,829)**	(228,163)
Lease expenses for short-term leases or leases of low-value assets	**(99,808)**	(35,365)
Total	**(3,309,093)**	(2,049,456)

(c) Amounts recognised in the statement of cash flows

	2020	**2019**
Total cash flows for leases	**1,757,906**	1,600,768

(d) Lease liabilities

Lease liabilities are broken down by due date in the following table:

	Carrying amount 31.12.2019	**Contractual cash flows**	**Of which: due within one year**	**Of which: due from one to five years**	**Of which: due after five years**
Lease liabilities	4,546,252	4,544,920	1,906,054	2,638,866	-

5. Investments in associates

They include:

	31.12.2020	31.12.2019
Goodmind S.r.l.	**126,705**	119,001
Signature S.r.l.	**488,440**	483,141
Investments in associates	**615,145**	602,142

The increase is due to the group's share of their profit for the year.

6. Equity investments in other companies

Equity investments in other companies did not change from the previous year end and are as follows:

	31.12.2020
Midi Plc	**251,072**
Idroenergia Soc. Cons. a.r.l.	**516**
Volksbank Region Leonberg	**300**
Unionfidi S.c.r.l.p.A. Turin	**129**
Equity investments in other companies	**252,017**

7. Loans and receivables

This caption relates to the non-interest bearing loan disbursed by the parent to the associate Signature S.r.l. to support its start-up phase.

8. Inventories

Raw materials mainly consist of various materials used for the production of cars and prototypes at the Cambiano facility. Finished goods comprise Pininfarina-branded products and car spare parts manufactured by the Group, which are sold to carmakers.

The table below shows a breakdown of inventories and the allowance for inventory write-down:

	31.12.2020	31.12.2019
Raw materials	**590,275**	541,471
Allowance for inventory write-down	**(302,040)**	(331,075)
Finished goods	**121**	2,349
Finished goods at stores	**159,919**	146,936
Allowance for inventory write-down	**-**	-
Inventories	**448,275**	359,681

Allowance for raw material write-down	**2020**	**2019**
Opening balance	**331,075**	338,368
Additions	**-**	-
Utilisations	**(29,035)**	(7,293)
Other changes	**-**	-
Closing balance	**302,040**	331,075

The allowance for raw material write-down reflects the risk of obsolete and slow-moving items.

9. Contract assets and liabilities

Contract assets show the balance of gross contract work in progress less progress payments and advances.

The change for the year is due to the progress of certain design and engineering contracts from customers inside and outside the European Union.

Contract liabilities represent the Group’s obligation to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from that customer.

Reference should be made to note 19. Revenue for a breakdown of contract assets and liabilities and related changes.

10. Trade receivables - third and related parties

The following table shows trade receivables at 31 December 2020 and 2019:

	31.12.2020	31.12.2019
Italy	**2,556,317**	2,827,605
EU	**2,469,335**	7,123,011
Non-EU countries	**9,313,475**	20,317,679
(Loss allowance)	**(798,015)**	(5,679,416)
Third parties	**13,541,112**	24,588,878

	31.12.2020	31.12.2019
Signature S.r.l.	**100,650**	48,800
Pininfarina Engineering S.r.l. in liquidation	**-**	139,175
Mahindra & Mahindra Group	**809,034**	113,940
Tech Mahindra Group	**117,225**	53,271
Automobili Pininfarina GmbH	**1,127,100**	652,816
Related parties	**2,154,009**	1,008,002
Trade receivables	**15,695,121**	25,596,880

The Group's main counterparties are top carmakers with a high credit rating. Since the receivables are not covered by insurance policies, the Group's maximum exposure to credit risk is equal to the carrying amount of the receivables less the loss allowance. The Group did not factor any receivables. Trade receivables are mostly denominated in Euros.

The decrease in trade receivables from third parties is due to a different type of invoicing plan being used compared to the previous year.

The increase in the loss allowance is due to the impairment losses and other changes prudently recognised by Pininfarina Shanghai on the receivable due from an Asian customer.

On the other hand, the decrease in the loss allowance is mainly due to utilisations by the parent and Pininfarina Engineering S.r.l. in liquidation of the impairment losses recognised on the receivables relating to a project for a Chinese customer in 2018.

Changes in the loss allowance are set out below:

	2020	2019
Opening balance	**5,679,416**	5,657,555
Additions	**372,713**	212,207
Utilisations	**(5,659,617)**	(190,346)
Other changes	**405,503**	-
Closing balance	**798,015**	5,679,416

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2020.

	Net exposure	Loss allowance
Contract assets	4,575,923	-
Current (not past due)	6,666,038	2,952
1–30 days past due	1,847,352	1,029
31–60 days past due	1,341,680	1,108
61–90 days past due	112,849	-
91–120 days past due	-	-
More than 120 days past due	**2,829,751**	**792,926**

With respect to exposures not individually impaired, the Group defined a provisioning matrix based on its historical credit loss figures, adjusted by the counterparties' different credit ratings and business environments.

The net exposure column shows the trade receivables net of any advances and progress payments.

11. Other assets

The following table shows other assets at 31 December 2020 and 2019:

	31.12.2020	31.12.2019
VAT	**3,140,621**	7,645,797
Withholding taxes	**349,322**	5,033,890
IRAP (regional tax on production activities) paid on account	**553,727**	460,917
Prepayments and accrued income	**519,119**	706,014
Advances to suppliers	**84,462**	95,419
Amounts due from INAIL (the Italian Workers' Compensation Authority) and INPS (the Italian social security institution)	**11,839**	137,960

	31.12.2020	31.12.2019
Amounts due from employees	**221,415**	2,180
Other	**375,832**	325,039
Third parties	**5,256,337**	14,407,216
Related parties	**-**	-
Other assets	**5,256,337**	14,407,216

The VAT asset is mainly attributable to the parent. The decrease in the caption is due to the reimbursement of €5.1 million relating to 2018 and Q2 2019 received in March 2020 and the offsetting of the residual 2019 asset of €1 million against social security contributions, net of the increase for the first nine months of 2020. The parent received the reimbursement of the residual VAT asset relating to 2019 in October 2020.

The persisting crisis in the reference markets, exacerbated by the effects of the ongoing pandemic, as mentioned several times, has led to material uncertainty about the parent's and Group's ability to continue as going concerns. Reference should be made to the "Going concern" section for details and the directors' reasons for considering the uncertainty as resolvable. In this uncertain context, the Group fully impaired (€5.2 million) foreign withholdings, which are recoverable only through future taxable profits from operations carried out in their country of origin under relevant legislation. This does not alter the parent's right to use them should the conditions for their use arise in the future, since their time limit is 2028.

12. Cash and cash equivalents

The table below shows a breakdown of this caption and a comparison with the previous year-end corresponding figures:

	31.12.2020	31.12.2019
Cash in hand and cash equivalents	**8,821**	12,879
Short-term bank deposits	**28,520,350**	20,102,249
Cash and cash equivalents	**28,529,171**	20,115,128
(Bank overdrafts)	**(41,132)**	(2,368,172)
Net cash and cash equivalents	**28,488,039**	17,746,956

The increase in cash and cash equivalents is due to the capital injection for future capital increases received by the parent and working capital trends.

The bank overdrafts relate to the credit facilities drawn down by Pininfarina Deutschland GmbH, which reduced dramatically at the reporting date, partly thanks to the collection of the deposit for the future sale of a building (see note 2).

Reference should be made to the statement of cash flows for details of the cash flows for the year.

13. Equity

(a) Share capital

	31.12.2020		31.12.2019	
	Nominal amount	**No.**	Nominal amount	No.
Ordinary shares	**54,287,128**	**54,287,128**	54,287,128	54,287,128
(Treasury shares)	**(15,958)**	**(15,958)**	(15,958)	(15,958)
Share capital	**54,271,170**	**54,271,170**	54,271,170	54,271,170

The parent's share capital is comprised of 54,287,128 ordinary shares, with a unit nominal amount of €1. There are no other classes of shares.

Treasury shares are held in accordance with the limits imposed by article 2357 of the Italian Civil Code.

Detailed information about the parent's shareholders is provided in the "General information" section of these notes.

(b) Share premium reserve

This reserve is unchanged from the previous year end.

(c) Reserve for treasury shares

This reserve of €175,697, unchanged from the previous year end, is recognised in accordance with the provisions of article 2357 of the Italian Civil Code.

(d) Legal reserve

The legal reserve of €10,854,234, which pursuant to the provisions of article 2430 of the Italian Civil Code is available to cover any losses, is unchanged from the previous year end.

(e) Stock option reserve

Pursuant to article 114-bis of the Consolidated Finance Act, on 21 November 2016, the shareholders approved a stock option plan that provides for the free assignment of options for the subscription of ordinary shares to the parent's employees. The ratio is one share for each option. The plan aims at incentivising attainment of the parent's objectives and retaining employees. It provides that the maximum number of shares to be assigned to the beneficiaries is 2,225,925 and that the option's exercise price is €1.10 for each share. The plan term is seven years (2016-2023).

This reserve is unchanged from the previous year end.

The options are measured using the Black-Scholes valuation approach and the following assumptions:

1. Volatility: 80% (three-year average)
2. Risk-free rate: -0.41% (the average of the three instalments considered)
3. Dividends: no dividends are expected during the plan term
4. Average share price: €1.10
5. Vesting conditions: permanence of the employment agreement
6. Settlement method: equity instruments
7. Cost for the year: the plan costs were fully recognised from 2016 to 2019.
8. Carrying amount at the reporting date: €2,216,799

(f) Translation reserve

The translation reserve reflects the cumulative differences from the translation of financial statements of companies with functional currencies other than the Euro, which is the Group's presentation currency. These companies are Pininfarina Shanghai Co Ltd. and Pininfarina of America Corp..

(g) Other reserves

These reserves of €27,923,223 are unchanged from the previous year end.

(h) Losses carried forward

Losses carried forward totalled €38,695,810 at the reporting date, up by €23,234,419 from the 31 December 2019 figure. The increase is due to:

- the allocation of the loss for 2019 of €23,074,665;
- the effect of the adoption of IAS 19 (revised), quantified at €159,754.

The table reconciling the parent's loss and equity as at and for the year ended 31 December 2020 with the Group's relevant figures is provided in the directors' report, to which reference is made.

14. Loans and borrowings

(a) Rescheduling Agreement

The new Rescheduling Agreement (the "Agreement") between Pininfarina S.p.A. and its lending institutions became effective on 30 May 2016. Its effects are summarised below:

- settlement and extinguishment of 56.74% of the nominal amount of the parent's debt with the lending institutions that accepted this option, in addition to the interest accrued up to the effective date;
- the rescheduling of the nominal amount of the debt with the lending institutions that accepted this option, totalling €41.5 million, to 2025;
- the application of a fixed interest rate of 0.25% per annum, based on a year of 360 days, increased by the difference between this rate and the six-month Euribor, should the latter exceed 4%.

(b) Fair value of restructured debt

On 30 May 2015, the fair value of the restructured debt was determined by discounting the cash flows as per the Rescheduling Agreement to their present value using a 6.5% rate, determined with the assistance of a third-party financial advisor, as the sum of 1) the return on risk-free investments and 2) a credit spread attributed to Pininfarina S.p.A..

The table below summarises the changes in loans and borrowings:

	31.12.2019	Change in bank overdrafts	Unrealised interest	Repayment	Current/ non-current reclassification	31.12.2020
Other loans and borrowings	20,399,957	200,594	1,481,647	-	(3,608,089)	18,474,109
Non-current portion	**20,399,957**	**200,594**	**1,481,647**	**-**	**(3,608,089)**	**18,474,109**
Bank overdrafts	2,368,172	(2,327,040)	-	-	-	41,132
Other loans and borrowings	3,638,089	24,424	-	(3,640,048)	3,608,089	3,630,554
Current portion	6,006,261	(2,302,616)	-	(3,640,048)	3,608,089	3,671,686
Current and non-current portions	**26,406,218**	**(2,102,022)**	**1,481,647**	**(3,640,048)**	**-**	**22,145,795**

The decrease in bank overdrafts is due to the smaller use of its credit facilities by Pininfarina Deutschland GmbH.

Other loans and borrowings include the amounts due to the parent's lending institutions, parties to the Agreement, pursuant to the relevant loan and financing agreements.

A breakdown of the contractual cash flows by maturity is provided in paragraph (e) of the "Financial risk management" section.

A breakdown of changes by lender is set out below:

	31.12.2019	Increase	Unrealised interest	Repayment	31.12.2020
Intesa Sanpaolo S.p.A.	15,502,517		959,128	(2,316,237)	**14,145,408**
Banca Nazionale del Lavoro S.p.A.	912,529		56,457	(136,341)	**832,645**
Ubi Banca S.p.A. (formerly Banca Regionale Europea S.p.A.)	3,644,014		225,453	(544,456)	**3,325,011**
Selmabipiemme Leasing S.p.A.	3,888,986		240,609	(581,055)	**3,548,540**
Volksbank Region Leonberg (Germany)	90,000	24,424	-	(61,959)	**52,465**
Centennial Bank	-	200,594	-	-	**200,594**
Other loans and borrowings	24,038,046	225,018	1,481,647	(3,640,048)	**22,104,663**

Pininfarina Deutschland Holding GmbH has a €52,465 loan with Volksbank Region Leonberg (Germany).

Pininfarina of America received a loan of €200,594 (USD246,149) from Centennial Bank as part of the measures introduced by the Small Business Administration to tackle the effect of the Covid-19 pandemic. This loan bears fixed interest at 1%.

The Group's loans and borrowings are not subject to currency risk.

Reference should be made to the directors' report for more details on the net financial position (ESMA).

15. Post-employment benefits

Post-employment benefits show the present value of the obligation to employees under article 2120 of the Italian Civil Code. Following the changes introduced to Italian laws some years ago, benefits vested before 1 January 2007 are classified as defined benefit plans pursuant to IAS 19 - Employee benefits, while those accrued thereafter are classified as defined contribution plans.

Changes for the year are provided below:

	2020	2019
Opening post-employment benefits	**4,243,045**	4,778,297
Interest cost recognised in profit or loss	**13,531**	48,306
Current service cost recognised in profit or loss	**-**	-
Actuarial losses recognised in other comprehensive income	**159,754**	29,819
Payments	**(739,922)**	(849,427)
Pininfarina Engineering S.r.l.'s acquisition of a business unit	**-**	236,050
Transfer due to termination of Bairo plant's business lease	**830,629**	-
Other changes	**(139,698)**	-
Reclassification	**(1,127,938)**	-
Closing post-employment benefits	**3,239,401**	4,243,045

Following the early termination on 31 December 2019 of the business lease with Bluecar Italy S.r.l., 44 employment contracts (32 at the reporting date) and related post-employment benefits were transferred to Pininfarina S.p.A. on 1 January 2020.

Other changes show the effect of the non-application of IAS 19-R recognised by Pininfarina Engineering S.r.l. in liquidation when it commenced its winding up procedure.

The reclassification relates to the post-employment benefits of Pininfarina Engineering S.r.l. in liquidation that have been reclassified to other financial liabilities.

16. Trade payables, other financial liabilities and other liabilities

(a) Trade payables

	31.12.2020	31.12.2019
Third parties	**14,845,034**	19,193,148
Related parties	**560,460**	164,058
Other liabilities - third parties	**1,425,105**	280,442
Trade payables	**16,830,599**	19,637,648

Trade payables to third parties include roughly €5.8 million arising from an advisory services agreement that the parent signed in connection with a long-term contract.

The amount due under the agreement is recognised at the discounted value of the payment plan originally in place with the service provider.

Since the engineering contract to which the obligation refers has been suspended, the related liability has also been suspended, pending a development in the end customer’s situation.

The reporting-date balance comprises amounts that will be paid within twelve months of the reporting date, except for the trade payable described above, which will be settled over the term of the contract to which it relates.

(b) Other financial liabilities

	31.12.2020	31.12.2019
Wages and salaries payable	**6,234,200**	4,076,478
Social security charges payable	**961,593**	1,309,280
Other	**1,568,955**	1,686,304
Other financial liabilities	**8,764,748**	7,072,062

17. Provisions for risks and charges, contingent liabilities and litigation

(a) Provisions for risks and charges

Changes in provisions for risks and charges are set out below, with a comment on the main changes:

	31.12.2019	Additions	Utilisations	Releases	31.12.2020
Provision for product warranties	53,236	-	-	-	53,236
Restructuring provision	-	6,495,647	-	-	6,495,647
Other provisions	3,398,702	113,825	(871,809)	(2,402,143)	238,575
Provisions for risks and charges	**3,451,938**	**6,609,472**	**(871,809)**	**(2,402,143)**	**6,787,458**

The provision for product warranties, unchanged from the previous reporting date, represents the best estimate of the Group's contractual and legal obligations with regard to costs entailed by warranties provided on certain components of the vehicles it manufactured for a specific period, starting from the sale of the vehicles to end customers. The above-mentioned estimate was determined based on the Group's experience, specific contractual terms and product specifications and defect data generated by the statistical survey systems of the company's customers.

The restructuring provision reflects the best estimate of the liability for restructuring relating to the parent (€800,000), Pininfarina Deutschland GmbH (€998,271) and the winding up of Pininfarina Engineering S.r.l. in liquidation (€4,697,376). Specifically, the latter has been recognised to fully cover the obligations reasonably expected to date on the basis of the collective trade union agreements, the legal requirements, the individual agreements and, given the usual outcome of these procedures, the possible refusal to participate in the plan envisaged by the collective agreements by employees who oppose the agreement.

Other provisions are made up as follows:

	31.12.2019	Additions	Utilisations	Releases	31.12.2020
Provision for litigation with former employees	2,785	-	-	-	2,785
Provision for environmental surveys	60,070	-	(60,070)	-	-
Provision for losses to complete contracts	3,335,847	113,825	(811,739)	(2,402,143)	235,790
Other provisions	**3,398,702**	**113,825**	**(871,809)**	**(2,402,143)**	**238,575**

The provision for litigation with former employees covers liabilities arising from potential disputes with former employees.

The provision for environmental surveys reflects the best estimate of the parent's potential liabilities relating to this type of risk.

The provision for losses to complete contracts show the effects of the measurement of losses to complete long-term contracts.

(b) Contingent liabilities and litigation

There are no contingent liabilities or litigation to report at the reporting date.

18. Current and deferred taxes

(a) Deferred taxes

The table below provides a breakdown of deferred tax assets and liabilities:

	31.12.2020	31.12.2019
Deferred tax assets	**17,161**	839,071
(Deferred tax liabilities)	**-**	-
Net deferred tax assets	**17,161**	839,071

The net deferred tax assets relate to Pininfarina of America.

(b) Current taxes

Income taxes recognised in profit or loss are detailed below:

	2020	2019
Income taxes	**5,049**	(33,201)
IRAP (Regional tax on production activities)	**-**	-
Adjustment to prior year tax consolidation benefit	**-**	(12,918)
Addition to prior year provision	**(146,501)**	(8,767)
Current taxes	**(141,452)**	(54,886)
Change in deferred tax assets	**(820,326)**	(2,179,955)
Change in deferred tax liabilities	**-**	-
Deferred taxes	**(820,326)**	(2,179,955)
Income taxes	**(961,778)**	(2,234,841)

19. Revenue from sales and services

a) Revenue streams

The Group's revenue mainly relates to the provision of design and engineering services and sales of spare parts and prototypes.

	2020	2019
Sales - Italy	**1,065,663**	548,843
Sales - EU	**1,898,188**	986,946
Sales - Non-EU countries	**1,069,344**	574,068
Services - Italy	**6,862,513**	6,448,828
Services - EU	**29,830,307**	39,531,764
Services - Non-EU countries	**23,475,028**	31,743,413
Royalties - Italy	**919,670**	1,001,419
Royalties - EU	**134,213**	737,703
Royalties - Non-EU countries	**564,513**	2,237,301
Change in contract assets	**(333,791)**	1,490,931
Revenue from sales and services	**65,485,648**	85,301,216

Other sources of revenue include the following:

	2020	2019
Lease income	**637,750**	3,171,137
Rebilling	**176,256**	138,415
Prior year income	**512,703**	122,668
Insurance compensation	**3,536**	10,000
Grants for research and training	**47,254**	64,222
Sundry	**122,463**	1,607,175
Other revenue and income	**1,499,962**	5,113,617

"Sundry" for the previous year related to Pininfarina Engineering S.r.l. in liquidation's acquisition of a business unit.

Lease income mainly refers to the leases for the two buildings (one of which sold in early 2020) located in Germany, owned by Pininfarina Deutschland Holding GmbH. The decrease on the previous year is due to the termination of the parent's business lease.

Prior year income refers to prior year income and estimation differences, other than errors, resulting from the normal updating of estimates made in previous years.

b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major product and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

	Design	Engineering	Total
Geographical market			
Italy	5,899,536	2,911,467	8,811,003
EU	16,121,251	15,734,301	31,855,552
Non-EU countries	22,556,960	3,772,850	26,329,811
Total	**44,577,747**	**22,418,618**	**66,996,365**
Major products/service lines			
Design services	42,643,050	-	42,643,050
Engineering services	-	21,224,202	21,224,202
Royalties	1,618,396	-	1,618,396
Lease income	-	637,750	637,750
Other	316,301	556,666	872,967
Total	**44,577,747**	**22,418,618**	**66,996,365**
Timing of revenue recognition			
Products transferred at a point in time	316,301	556,666	872,967
Products and services transferred over time	44,261,446	21,861,952	66,123,398
Total	**44,577,747**	**22,418,618**	**66,996,365**

c) Contract balances

The following table provides information about receivables, assets and liabilities from contracts with customers.

	31.12.2020	1.01.2020
Amounts included in trade receivables	**16,493,136**	31,276,296
Contract assets	**4,575,923**	4,616,785
Contract liabilities	**(6,060,721)**	(14,624,300)

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date on made-to-order products/services.

Contract assets were impaired by €871,809 during the year. They are reclassified to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from that customer.

The smaller revenue recognised in 2020 from performance obligations satisfied (or partially satisfied) in previous years, mainly due to the changes in the estimate of the stage of completion of contracts, is €1.2 million.

The combined transaction price allocated to performance obligations still unsatisfied at the reporting date is €85.8 million. The Group expects that it will recognise roughly 24.6% of that amount as revenue in the following year.

No information is provided about remaining performance obligations at 31 December 2020 that have an original expected duration of one year or less, as allowed by IFRS 15.

Opening contract liabilities of €14.6 million have been reclassified to revenue during the year.

d) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer.

The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Major products/service lines	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Design, engineering and operations services	The Group has determined that, for made-to-order products, the customer controls all of the work in progress as the products are being manufactured. This is because, under those contracts, products/services are made to a customer’s specifications and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.	Revenue and associated costs are recognised over time - i.e., before the goods/services are made available at the customers’ premises. Progress is determined based on the cost-to-cost method. When incremental in accordance with IFRS 15, costs of obtaining a contract are recognised as assets and depreciated in line with the transfer of control over the related product/ service.
Architecture and design services	The Group has determined that revenue from design services is recognised at a point in time, because the contractual terms do not allow the Group to collect the consideration before the satisfaction of the performance obligation, even though the products/services are made to a customer’s specifications. Revenue is recognised when the work is delivered to and accepted by the customer, when the Group's right to payment becomes enforceable.	Revenue is recognised at a point in time, corresponding to the customer's acceptance. The Group applies the practical expedient provided for by the standard for incremental costs of obtaining a contract with a term of less than 12 months. Accordingly, these costs are recognised as an expense when incurred.
Royalties	The Group has determined that royalties are substantially related to the licence to use the Pininfarina trademark on designed products it manufactures. Even though customers do not control the trademark, they benefit therefrom. This shared benefit led the Group to believe that this is a right to access rather than use the trademark and, therefore, the related revenue is recognised over time.	Revenue is recognised over time
Lease income	The Group has determined that lease income arises from services whereby the customer simultaneously receives and uses the related benefits as the Group provides them. Accordingly, revenue from these performance obligations is recognised over time.	Revenue is recognised over time
Other	The Group determines the most appropriate recognition of other minor revenue on a case by case basis.	Revenue is recognised over time/at a point in time

20. Gains and losses on sale of non-current assets and equity investments

Gains relate to the sale of a building owned by Pininfarina Deutschland Holding GmbH and a company car by the parent.

The parent sold the land close to the San Giorgio Canavese facility at a price equal to its carrying amount.

21. Raw materials and components

Raw materials and components mainly include purchases of equipment and materials used for the design and engineering contracts and spare parts resold by the parent.

22. External variable engineering services

External variable engineering services mainly refer to design and technical services.

23. Wages, salaries and employee benefits

	2020	2019
Wages and salaries	**(37,265,306)**	(42,982,256)
Social security contributions	**(9,421,839)**	(10,620,611)
Independent contractors	**(1,101,112)**	-
Utilisation of restructuring provision	**-**	184,452
Blue collars, white collars and managers	**(47,788,257)**	(53,418,415)
Post-employment benefits - defined contribution plan	**(1,359,582)**	(1,577,448)
Wages, salaries and employee benefits	**(49,147,839)**	(54,995,863)

Post-employment benefits – defined contribution plan reflect the costs related to post-employment benefits both for defined benefit and defined contribution plans.

A breakdown of the actual number of employees at 31 December 2020 and the average number for the year is set out below, as per article 2427 of the Italian Civil Code, calculated by adding the number of employees at the beginning and end of the year and dividing the result by two.

	31.12.2020		31.12.2019	
	reporting date	**average**	reporting date	average
Managers	**29**	**29**	29	29
White collars	**576**	**617**	622	635
Blue collars	**34**	**42**	21	24
Total	**639**	**688**	672	688

The termination of a business lease involved the transfer of 32 employment contracts.

24. (Additions to)/utilisation of provisions and impairment losses

	2020	2019
Net impairment losses on loans and receivables	**(81,043)**	(220,521)
Revised estimate of the loss allowance	**-**	-
Additions to the restructuring provision	**(6,495,647)**	-
Additions to the provision for losses to complete contracts	**(113,825)**	(4,205,416)
Utilisation and revised estimates of provisions for risks and charges	**3,213,882**	962,233
Impairment losses on foreign withholding taxes	**(5,129,767)**	(32,217)
Impairment losses on property, plant and equipment	**(1,088,098)**	(7,337,064)
Impairment losses on intangible assets	**(469,780)**	(1,650,060)
Impairment losses on right-of-use assets	**(206,247)**	(228,163)
(Additions to)/utilisation of provisions and impairment losses	**(10,370,525)**	(12,711,208)

Net impairment losses on loans and receivables include the net losses recognised on receivables from a customer of the Chinese subsidiary.

Reference should be made to note 10 for details of impairment losses.

Reference should be made to note 17 for details of additions to the restructuring provision and provision for losses to complete contracts.

Impairment losses on receivables from subsidiaries relates to the parent's waiver of the amounts due from Pininfarina Engineering S.r.l. in liquidation (see note 7).

Reference should be made to notes 1, 3 and 4 for details of impairment losses on property, plant and equipment, intangible assets and right-of-use assets, respectively.

25. Other expenses

	2020	2019
Travel expenses	**(536,218)**	(1,626,399)
Leases	**(1,578,623)**	(1,245,141)
Directors' and statutory auditors' fees	**(662,593)**	(844,363)
Consulting and other services	**(3,666,414)**	(4,046,194)
Other personnel costs	**(917,420)**	(1,370,873)
Postal expenses	**(385,159)**	(397,753)
Cleaning and waste disposal services	**(324,083)**	(286,860)
Advertising	**(556,751)**	(1,016,876)
Indirect taxes	**(805,964)**	(785,650)
Insurance	**(486,000)**	(505,186)
Membership fees	**(132,454)**	(111,272)
Prior year expense	**(1,931)**	(39,508)
General services and other expenses	**(1,035,286)**	(1,002,711)
Other expenses	**(11,088,896)**	(13,278,786)

Consulting and other services mainly include IT, administrative and commercial consultancy fees.

General services and other expenses include costs for general services, guarantees and settlements in court.

Leases mainly refer to IT equipment under operating leases that are not covered by IFRS 16 either because they do not convey the right to use the asset or as a result of the application of the practical expedient to short-term or low value leases.

26. Net financial expense

	2020	2019
Interest and commission expense on credit facilities	**(141,653)**	(205,866)
Lease interest expense	**-**	-
Lease interest expense	**(285,270)**	(320,891)
Interest expense on loans and financing	**(1,561,032)**	(1,685,168)
Interest expense on trade payables	**-**	(78)
Financial expense	**(1,987,955)**	(2,212,003)
Bank interest income	**4,335**	4,042
Interest income on loans and receivables - third parties	**42,455**	53
Interest income on loans and receivables - related parties	**-**	-
Gains on assets held for trading	**-**	728,839
Financial income	**46,790**	732,934
Net financial expense	**(1,941,165)**	(1,479,069)

Interest and commission expense refers to interest paid on credit facilities and bank fees.

Lease interest expense relates to the amortised-cost measurement of lease liabilities under IFRS 16.

Interest expense on loans and financing of €1,561,032 comprises the effect of amortised-cost accounting (€1,481,647) and interest accrued under the existing Agreement (€77,693). The remainder relates to subsidiaries.

Bank interest income accrued on the current account credit balances.

OTHER INFORMATION

Events after the reporting date

There are no significant events that occurred after the reporting date..

Related party transactions – Pininfarina Group

The table below, which is presented pursuant to Consob communication no. DEM/6064293 of 28 July 2006, summarises related party transactions, including intragroup transactions. These transactions were carried out at market conditions, considering the nature of the goods exchanged or services provided. They were neither atypical nor unusual for the purposes of the above-mentioned communication.

	Trade		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Signature S.r.l.	100,650	18,817	550,000	-	120,830	58,338	-	-
Tech Mahindra Ltd	75,523	541,643	-	-	300,685	471,105	-	-
Tech Mahindra GmbH	41,702	-	-	-	209,159	-	-	-
Mahindra & Mahindra Ltd	809,034	20,483	-	-	4,232,890	-	-	-
PT Mahindra Accelo Steel Indonesia	-	-	-	-	45,246	-	-	-
Mahindra North America Technical Center	-	-	-	-	142,010	-	-	-
Automobili Pininfarina GmbH	1,127,100	1,426,528	-	-	7,656,279	-	-	-
Total	**2,154,009**	**2,007,471**	**550,000**	**-**	**12,707,099**	**529,443**	**-**	**-**

Intragroup transactions include:

- Signature S.r.l.: loan agreement, purchases and sales of goods with Pininfarina S.p.A.;
- Tech Mahindra Ltd: services agreements with Pininfarina Engineering S.r.l. in liquidation, and Pininfarina Deutschland GmbH; services agreement in favor of Pininfarina Engineering S.r.l. in liquidation, Pininfarina Deutschland GmbH and Pininfarina of America Corp.;
- Tech Mahindra GmbH: lease agreement for equipped office premises and services agreements with Pininfarina Deutschland GmbH;
- Mahindra & Mahindra Ltd: brand licence agreement and design and engineering services agreements with Pininfarina S.p.A. and Pininfarina Engineering S.r.l. in liquidation, respectively;
- PT Mahindra Accelo Steel Indonesia: design services agreement with Pininfarina S.p.A.;
- Mahindra North America Technical Center: services agreement with Pininfarina Engineering S.r.l. in liquidation;
- Automobili Pininfarina GmbH: design and engineering services agreement with Pininfarina S.p.A..

In addition to the above figures:

- Studio Starclex - Studio Legale Associato Guglielmetti, related to Romina Guglielmetti (director of Pininfarina S.p.A.), provided legal assistance to the parent for €24,000.

  On 26 September 2018, Pininfarina Engineering S.r.l. in liquidation signed an engineering services agreement with Mahindra & Mahindra Ltd ("M&M") for the development of a project for the design of the upper body systems of the body shell, integration of the body shell with the main operating systems and achievement of the performance requested of a new Mahindra vehicle based on its new platform.

  Pininfarina Engineering S.r.l. in liquidation's fee for its services provided over roughly 16 months amounts to €10,583,172. This fee qualifies the transaction as a "major transaction" pursuant to the relevant legislation. The services provided are part of the company's "normal business activities" and are rendered on an arm's length basis. At the reporting date, services provided to the customer totalled €10,583,172 and the project had been concluded.

  The parent, Pininfarina S.p.A., signed five design and engineering services agreements with Automobili Pininfarina GmbH ("AP") on 29 June 2018, 26 March 2019, 31 May 2019, 22 July 2019 and 9 December 2019 respectively, for the development of a project for the design of the interior and exterior of a new car, the design of the upper body systems of the body shell, integration of the body shell with the main operating systems and achievement of the performance requested of a new AP vehicle based on its new platform.

  The parent will receive a total fee of €20,510,227 for its services to be provided under the above contracts from June 2018 to December 2020. This fee qualifies the transaction as a "major transaction" pursuant to the relevant legislation.

The services provided are part of the “company’s normal business activities” and are rendered “on an arm’s length basis. At the reporting date, services provided to the customer totalled €18,943,317, €4,681,684 of which in 2020.

On 25 July 2019, Pininfarina Engineering S.r.l. in liquidation signed an engineering services agreement with Mahindra & Mahindra Ltd (“M&M”) for the development of a project for the design of the upper body systems of the body shell, integration of the body shell with the main operating systems and achievement of the performance requested of a new Mahindra vehicle based on its new platform.

The subsidiary will receive a fee of €3,950,000 for its services to be provided over roughly 14 months. This fee qualifies the transaction as a “major transaction” pursuant to the relevant legislation. The services provided are part of the company’s “normal business activities” and are rendered on an arm’s length basis. At the reporting date, services provided to the customer totalled €3,950,000.

Directors’ and statutory auditors’ fees

	2020	2019
Directors	**551**	737
Statutory auditors	**112**	107
Total	**663**	844

Significant non-recurring transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the effects of non-recurring events or transactions, i.e., those events or transactions that do not occur frequently during the normal course of business, are shown in the tables below:

	31.12.2020	Capital injection for future capital increases	Sale of the Renningen building and San Giorgio Canavese land	Impairment losses on the design CGU's assets	Accruals to restructuring provisions	Personnel expense as per 2020 agreements with Pininfarina Engineering S.r.l. in liquidation	Impairment losses on assets of Pininfarina Engineering S.r.l. in liquidation	Adjustments relating to Pininfarina Engineering S.r.l. in liquidation	31.12.2020, net of significant non-recurring transactions
Property, plant and equipment	32,951,550	-	290,000	292,839	-	-	795,259	-	34,329,648
Investment property	-	-	6,684,383	-	-	-	-	-	6,684,383
Intangible assets	5,590,176	-	-	116,888	-	-	352,892	-	6,059,956
Right-of-use assets	3,557,340	-	-	206,247	-	-	-	1,295,582	5,059,169
Equity investments	867,162	-	-	-	-	-	-	-	867,162
Deferred tax assets	17,161	-	-	-	-	-	-	-	17,161
Non-current financial assets	550,000	-	-	-	-	-	-	-	550,000
NON-CURRENT ASSETS	**43,533,389**		**6,974,383**	**615,974**	**-**	**-**	**1,148,151**	**1,295,582**	**53,567,479**
Inventories	448,275	-	-	-	-	-	-	-	448,275
Contract assets	4,575,923	-	-	-	-	-	-	-	4,575,923
Trade receivables and other assets	20,951,458	-	-	-	-	-	-	-	20,951,458
Cash and cash equivalents	28,529,171	(20,000,000)	(3,744,070)	-	-	-	-	-	4,785,101
CURRENT ASSETS	54,504,827	(20,000,000)	(3,744,070)	-	-	-	-	-	30,760,757
Assets held for sale	5,155,582	-	(5,155,582)	-	-	-	-	-	-
TOTAL ASSETS	**103,193,798**	**(20,000,000)**	**(1,925,269)**	**615,974**	**-**	**-**	**1,148,151**	**1,295,582**	**84,328,236**
Share capital and reserves	58,673,496	(20,000,000)	-	-	-	-	-	-	38,673,496
Loss for the year	(24,437,689)	-	(925,269)	615,974	6,495,587	1,122,684	1,148,151	241,161	(15,739,401)
EQUITY	**34,235,807**	**(20,000,000)**	**(925,269)**	**615,974**	**6,495,587**	**1,122,684**	**1,148,151**	**241,161**	**22,934,095**
Non-current loans and borrowings	21,498,907	-	-	-	-	-	-	-	21,498,907
Post-employment benefits and other provisions	3,239,401	-	-	-	-	-	-	125,658	3,365,059
NON-CURRENT LIABILITIES	**24,738,308**	**-**	**-**	**-**	**-**	**-**	**-**	**125,658**	**24,863,966**
Current loans and borrowings	5,193,140	-	-	-	-	-	-	-	5,193,140
Other financial liabilities	8,764,748	-	-	-	-	(1,122,684)	-	957,074	8,599,138
Trade payables	16,830,599	-	(1,000,000)	-	-	-	-	(28,311)	15,802,288
Contract liabilities	6,060,721	-	-	-	-	-	-	-	6,060,721
Current tax liabilities	583,017	-	-	-	-	-	-	-	583,017
Provisions for risks and charges	6,787,458	-	-	-	(6,495,587)	-	-	-	291,871
CURRENT LIABILITIES	44,219,683	-	(1,000,000)	-	(6,495,587)	(1,122,684)	-	928,763	36,530,175
TOTAL LIABILITIES	**68,957,991**	**-**	**(1,000,000)**	**-**	**(6,495,587)**	**(1,122,684)**	**-**	**1,054,421**	**61,394,141**
TOTAL LIABILITIES AND EQUITY	**103,193,798**	**(20,000,000)**	**(1,925,269)**	**615,974**	**-**	**-**	**1,148,151**	**1,295,582**	**84,328,236**

	2020	Capital injection for future capital increases	Sale of the Renningen building and San Giorgio Canavese land	Impairment losses on the design CGU's assets	Accruals to restructuring provisions	Personnel expense as per 2020 agreements with Pininfarina Engineering S.r.l. in liquidation	Impairment losses on assets of Pininfarina Engineering S.r.l. in liquidation	Adjustments relating to Pininfarina Engineering S.r.l. in liquidation	2020, net of significant non-recurring transactions
Revenue from sales and services	65,485,648	-	-	-	-	-	-	-	65,485,648
Change in finished goods	10,755	-	-	-	-	-	-	-	10,755
Other revenue and income	1,499,962	-	-	-	-	-	-	-	1,499,962
REVENUE	**66,996,365**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**66,996,365**
Net gains on sale of non-current assets and equity investments	948,270	-	(925,269)	-	-	-	-	-	23,001
Raw materials and consumables	(4,126,435)	-	-	-	-	-	-	-	(4,126,435)
Other variable production costs	(1,780,743)	-	-	-	-	-	-	-	(1,780,743)
External variable engineering services	(8,804,259)	-	-	-	-	-	-	-	(8,804,259)
Wages, salaries and employee benefits	(49,147,839)	-	-	-	-	1,122,684	-	(125,658)	(48,150,813)
Amortisation and depreciation, impairment losses and provisions	(14,476,885)	-	-	615,974	6,495,587	-	1,148,151	-	(6,217,173)
Net exchange losses	(67,327)	-	-	-	-	-	-	-	(67,327)
Other expenses	(11,088,896)	-	-	-	-	-	-	366,819	(10,722,077)
OPERATING LOSS	**(21,547,749)**	**-**	**(925,269)**	**615,974**	**6,495,587**	**1,122,684**	**1,148,151**	**241,161**	**(12,849,461)**
Net financial expense	(1,941,165)	-	-	-	-	-	-	-	(1,941,165)
Share of profit of equity-accounted investees	13,003	-	-	-	-	-	-	-	13,003
LOSS BEFORE TAXES	(23,475,911)	-	(925,269)	615,974	6,495,587	1,122,684	1,148,151	241,161	(14,777,623)
Income taxes	**(961,778)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(961,778)**
LOSS FOR THE YEAR	(24,437,689)	-	(925,269)	615,974	6,495,587	1,122,684	1,148,151	241,161	(15,739,401)

The transactions identified as significant and non-recurring are as follows:

a) sale of a building located in Renningen, near Stuttgart, in Germany, by Pininfarina Deutschland Holding GmbH;

b) sale of the agricultural land close to the San Giorgio Canavese facility by the parent;

c) impairment losses on current assets of the other design activities CGU;

d) accruals to the restructuring provisions of Pininfarina S.p.A., Pininfarina Engineering S.r.l. in liquidation and Pininfarina Deutschland GmbH;

e) personnel expense for agreements reached by Pininfarina Engineering S.r.l. in liquidation in 2020;

f) impairment losses on assets of Pininfarina Engineering S.r.l. in liquidation;

g) non-application of IFRS 16 and IAS 19-R by Pininfarina Engineering S.r.l. in liquidation.

Atypical and unusual transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Pininfarina Group specifies that it did not carry out atypical or unusual transactions during the year, as defined in the above-mentioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, nature of the counterparty, subject, method used to determine the transfer price and timing of the event, could create doubts as to: the accuracy/completeness of the disclosure provided in the financial statements, the existence of a conflict of interest, the safeguarding of corporate assets and the protection of non-controlling investors.

Disclosure on the independent auditors' fees required by article 149-duodecies of the Issuers' Regulation

The 2020 fees for audit and non-audit services provided by KPMG and other entities of its network are detailed below, pursuant to article 149-duodecies of the Consob Issuers' Regulation.

Service provider	Service recipient	2020 fee
KPMG S.p.A.	Pininfarina S.p.A. (1)	155,500
KPMG Advisory S.p.A.	Pininfarina S.p.A. (2)	40,000
KPMG S.p.A.	Pininfarina Engineering S.r.l. in liquidation (3)	25,000
KPMG network	Subsidiaries (4)	61,000
Total		**281,500**

(1) Includes the following services for total fees of €155,500:

- audit of the consolidated reporting package at 31 March 2020 for the consolidation purposes of the Tech Mahindra Group
- translation of financial documents;
- limited assurance engagement on the non-financial statement.

(2) Non-financial statement assessment and benchmarking.

(3) Audit of the financial statements of Pininfarina Engineering S.r.l. in liquidation.

(4) Includes €18,000 for the audit services at 31 March 2020 for the consolidation purposes of the Tech Mahindra Group.

LIST OF CONSOLIDATED COMPANIES

Name	Registered office	Country	Share/quota capital	Currency	Consolidated %	Investor	Investment %
Parent							
Parent							
Pininfarina S.p.A.	Turin Via Raimondo Montecuccoli 9	Italy	54,287,128	€	100		
Consolidated subsidiaries							
Italian subsidiaries							
Pininfarina Engineering S.r.l. in liquidation	Turin Via Raimondo Montecuccoli 9	Italy	100,000	€	100	Pininfarina S.p.A.	100
Foreign subsidiaries							
Pininfarina of America Corp.	Miami FL , 501 Brickell Key Drive, Suite 200	USA	10,000	USD	100	Pininfarina S.p.A.	100
Pininfarina Deutschland Holding GmbH	Leonberg Riedwiesenstr. 1	Germany	3,100,000	€	100	Pininfarina Engineering S.r.l. in liquidation	100
Pininfarina Deutschland GmbH	Munchen Frankfurter Ring 81	Germany	25,000	€	100	Pininfarina Deutschland Holding GmbH	100
Pininfarina Shanghai Co. Ltd	Shanghai Jiading district, Unit 1, Building 3, Lane 56, Antuo Road, Anting, 201805	China	3,702,824	CNY	100	Pininfarina S.p.A.	100
Equity-accounted investees							
Goodmind S.r.l.	Turin, Corso Vittorio 12	Italy	20,000	€	20	Pininfarina S.p.A.	20
Signature S.r.l.	Ravenna (RA) Via Paolo Frisi 6	Italy	10,000	€	24	Pininfarina S.p.A.	24

Key figures of the main group companies

(IFRS figures)

Pininfarina Engineering S.r.l. in liquidation

Registered office: Turin - I
Quota capital €100,000
Direct investment percentage 100%

€'million	**31.12.2020**	31.12.2019
Revenue	**13.5**	21.9
Loss for the year	**(9.8)**	(4.9)
Equity	**9.0**	12.2
Net financial position	**0.3**	1.0

Pininfarina Deutschland Group

Registered office: Leonberg - D
Share capital €3,100,000
Direct investment percentage 100%

€'million	**31.12.2020**	31.12.2019
Revenue	**16.2**	22.9
Loss for the year	**(4.2)**	(1.3)
Equity	**11.4**	15.7
Net financial debt	**(4.0)**	(7.3)

Pininfarina Shanghai Co. Ltd

Registered office: Shanghai - PRC
Share capital CNY3,702,824
Direct investment percentage 100%

€'million	**31.12.2020**	31.12.2019
Revenue	**5.2**	8.9
Profit for the year	**(0.2)**	0.3
Equity	**1.2**	1.9
Net financial position	**0.4**	0.9

Pininfarina of America Corp.

Registered office: Miami - USA
Share capital USD10,000
Direct investment percentage 100%

€'million	**31.12.2020**	31.12.2019
Revenue	**2.7**	2.3
Profit (loss) for the year	**0.1**	(0.1)
Equity	**1.5**	1.5
Net financial position	**0.9**	0.1

Chief Executive Officer
Silvio Pietro Angori
signed on the original

Statement on the consolidated financial statements pursuant to article 154-bis of Legislative decree no. 58/98

◊ The undersigned Silvio Pietro Angori, as CEO, and Gianfranco Albertini, as manager in charge of financial reporting of Pininfarina S.p.A., also considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state that the administrative and accounting policies adopted for the preparation of the consolidated financial statements:

- are adequate in relation to the Group's characteristics and
- have been effectively applied during 2020.

◊ Moreover, they state that the consolidated financial statements as at and for the year ended 31 December 2020:

- have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- are consistent with the accounting ledgers and records;
- are suitable to give a true and fair view of the financial position, financial performance and cash flows of the issuer and the group of companies included in the consolidation scope.

The directors' report includes a reliable analysis of the Group's performance and results of operations and the issuer's and consolidated companies' financial position and performance, as well as a description of the main risks and uncertainties to which they are exposed.

12 February 2021

Chief Executive Officer	Manager in charge of financial reporting
Silvio Pietro Angori	Gianfranco Albertini
signed on the original	signed on the original

KPMG S.p.A.
Revisione e organizzazione contabile
Corso Vittorio Emanuele II, 48
10123 TORINO TO
Telefono +39 011 8395144
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Pininfarina S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Pininfarina Group (the "group"), which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include a summary of the significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Pininfarina Group as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Pininfarina S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty about going concern

We draw attention to that disclosed by the directors in the "Assessments that affect the consolidated financial statements (a) Going concern" section of the notes to the consolidated statements and the "Group's performance, outlook and going concern issues" section of the directors' report about events and circumstances that indicate that there is material uncertainty which would cast significant doubts about the group's ability to continue as a going concern and the reasons why the directors deemed it appropriate to prepare the consolidated financial statements at 31 December 2020 on a going concern basis.

Obtaining sufficient audit evidence supporting the parent's directors' use of the going concern basis of accounting was a key audit matter.

Our audit procedures included:

— analysing the process applied by the directors to assess the group's ability to continue as a going concern;

— understanding and assessing the reasonableness of the main assumptions underlying the 2021-2023 projections approved by the board of directors on 1 February 2021;

— understanding and analysing the 2021 expected cash flows prepared by the parent on the basis of the 2021 budget approved by the board of directors on 11 January 2021 and the underlying key assumptions;

— comparing the main assumptions underlying the projections to the group's historical data and external information, where available;

— analysing the main transactions that the group completed and commenced during the year, especially the winding up of Pininfarina Engineering S.r.l. and the restructuring of the subsidiary Pininfarina Deutschland GmbH;

— obtaining evidence supporting the capital injection for future capital increases made by the majority shareholder and checking its accounting treatment;

— analysing the minutes of the parent's internal bodies' meetings;

— checking the directors' calculations of the financial covenants provided for by the loan agreements;

— analysing the events after the reporting date that provide information useful for an assessment of the appropriateness of the use of the going concern basis of accounting to prepare the consolidated financial statements;

— obtaining written representations from the parent's directors in relation to future action plans and their viability;

— assessing the appropriateness of the disclosures provided in the notes about the going concern assumption.

We did not qualify our opinion in this respect.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to that described in the *Material uncertainty about going concern* section, we have identified the following key audit matters to report herein:

Estimate of the recoverable amount of non-current assets

Notes to the consolidated financial statements: note "Assessments that affect the consolidated financial statements, paragraph (c) Impairment", note 1 "Property, plant and equipment", note 3 "Intangible assets" and note 4 (a) "Right-of-use assets"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2020 include property, plant and equipment of €16.8 million, €14.8 million of which relating to the Cambiano building, intangible assets of €5.6 million and right-of-use assets of €3.6 million. Due to the persisting general negative performance of the reference automotive market and the concurrent effect of the COVID-19 pandemic, the group recognised an operating loss for the year. Moreover, it incurred restructuring costs, mainly as a result of the winding up of Pininfarina Engineering S.r.l. and the reduction in the employees of the German subsidiary Pininfarina Deutschland GmbH. According to the 2021 budget prepared by the directors, the difficult situation is expected to continue and certain trigger events that may indicate the existence of potential impairment losses have been identified. Accordingly, the directors tested the group's non-current assets for impairment to check whether the CGUs' carrying amount exceeded their recoverable amount. They estimated the recoverable amount based on the CGUs' value in use, calculated using the discounted cash flow model. They calculated the recoverable amount of the other design activities CGU by reference to the fair value of its assets, which are comprised of the Cambiano industrial facility. Impairment testing requires a high level of judgement, especially in relation to: — the expected cash flows derived from the 2021-2023 projections of the individual group companies approved by the board of directors on 1 February 2021, which are calculated	Our audit procedures included: — understanding the process adopted to prepare the impairment test approved by the parent's board of directors; — understanding the process adopted to prepare the CGUs' financial projections from which the expected cash flows used for impairment testing have been derived; — analysing the reasonableness of the assumptions used to prepare the financial projections and the assumptions underlying the Cambiano facility's fair value measurement, including by analysing the appraisal prepared by the external consultants engaged by the parent; — checking any discrepancies between the previous year forecast and actual figures, in order to check the accuracy of the estimation process; — comparing the expected cash flows used for impairment testing to those used for the financial projections and analysing the reasonableness of any discrepancies; — involving experts of the KPMG network in the assessment of the reasonableness of the impairment testing model and related assumptions, as well as the assumptions and valuations underlying the Cambiano facility's appraisal prepared by the parent's external consultants, including by

by taking into account the general economic performance and that of the companies' sector and the actual cash flows generated by the CGUs in recent years; — the financial parameters to be used to discount the above cash flows; — the key assumptions used to measure the Cambiano facility's fair value. For the above reasons, we believe that the recoverability of non-current assets is a key audit matter.	means of a comparison with external data and information; — assessing the appropriateness of the disclosures provided in the notes about non-current assets and the related impairment test.

Recoverability of the Bairo Canavese and San Giorgio Canavese industrial facilities

Notes to the consolidated financial statements: note "Assessments that affect the consolidated financial statements, paragraph (c) impairment" and note 1 "Property, plant and equipment"

Key audit matter	Audit procedures addressing the key audit matter
The caption "Property, plant and equipment" of the consolidated financial statements at 31 December 2020 include the carrying amounts of the discontinued Bairo Canavese and San Giorgio Canavese industrial facilities (€12 million and €4.2 million, respectively). The recoverability of the above facilities' carrying amounts is based on their fair value, which is in line with the most recent appraisals available to the parent. Measuring fair value entails a high level of judgement by the directors, especially in relation to the key underlying assumptions. For the above reasons, we believe that the recoverability of the industrial facilities mentioned above is a key audit matter.	Our audit procedures included: — analysing the method used to calculate the Bairo Canavese and San Giorgio Canavese industrial facilities' fair value; — analysing the reasonableness of the assumptions underlying the above industrial facilities' fair value measurement, including by analysing the appraisals prepared by the external consultants engaged by the parent; — involving experts of the KPMG network in the assessment of the reasonableness of the assumptions and valuations underlying the appraisals prepared by the parent's external consultants, including by means of a comparison with external data and information; — analysing the events after the reporting date that provide information useful for an assessment of the recoverability of the carrying amounts of those industrial facilities; — assessing the appropriateness of the disclosures provided in the notes about the recoverability of the carrying amounts of those industrial facilities.

Restructuring of the engineering segment

Notes to the consolidated financial statements: note "Assessments that affect the consolidated financial statements, paragraph (c) impairment", note "1. Property, plant and equipment", note 17 (a) "Provisions for risks and charges" and note 24 "(Additions to)/utilisation of provisions and impairment losses".

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2020 include provisions for risks and charges of €6.8 million, mainly relating to the restructuring provision of €6.5 million. The restructuring provision mainly covers the liabilities, estimated by the directors with the assistance of the relevant internal departments, the parent's external consultants and considering the indications of Pininfarina Engineering S.r.l.'s liquidator, arising from the restructuring plan for the engineering segment launched in 2020. This plan has entailed: — the winding up of Pininfarina Engineering S.r.l. given that it has discontinued its operations; — a reduction in the employees of the German subsidiary Pininfarina Deutschland GmbH. Measuring such provision is a complex activity, with a high degree of uncertainty and subjectivity. For the above reasons, we believe that the measurement of the restructuring provision is a key audit matter.	Our audit procedures included: — analysing the accounting policies used by the directors to estimate the restructuring provision; — obtaining and analysing relevant documentation, such as collective agreements with the trade unions, individual agreements and minutes of the internal bodies' meetings; — analysing the reasonableness of the assumptions used to calculate Pininfarina Engineering S.r.l.'s winding up liabilities, including taking into account the liquidator's indications; — sending written requests for information to the consultants assisting the parent and the internal personnel department about the measurement of the winding up liabilities; — analysing the events after the reporting date that provide information useful for an assessment of the restructuring provision; — assessing the appropriateness of the disclosures provided in the notes.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures.

The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the

consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, 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.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 6 May 2013, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2013 to 31 December 2021.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2020 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2020 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2020 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Pininfarina S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, other auditors attested the compliance of the non-financial statement separately.

Turin, 23 February 2021

KPMG S.p.A.

(signed on the original)

Andrea Fumagallo
Director of Audit

TECH MAHINDRA VIETNAM COMPANY LIMITED

Board of Directors
Mr. Srinivasa Venugopal

Registered Office
Him Lam Business Center, 21st Floor,
Capital Tower, No.109 Tran Hung Dao,
Cua Nam Ward, Hoan Kiem District,
Hanoi City, Vietnam

Auditors
BDO Audit Services Co. Ltd

REPORTS OF THE BOARD OF DIRECTORS

The Board of Directors of Tech Mahindra Vietnam Co., Ltd ("the Company") is pleased to present its report and the financial statements of the Company for the year ended 31 March 2021, which are audited by independent auditors.

GENERAL INFORMATION

Tech Mahindra Vietnam Co., Ltd (hereafter referred as "the Company") is a limited liability company with one member incorporated under the Law on Enterprise of Vietnam pursuant to the Investment Certificate No 6557776707 dated 24 January 2017 and Business Registration dated 23 March 2017, which are issued by Hanoi Department of Planning and Investment.

The Company's head office is located at Him Lam Business Center, 21st Floor, Capital Tower, 109 Tran Hung Dao, Cua Nam ward, Hoan Kiem district, Hanoi.

MEMBER OF COUNCIL

Member of Council during the fiscal year and as the date of the report were:

Name	Position
Mr. Manish Goenka	Chairman
Mr. Gautam Shirali	Member
Mr. Srinivasa Raghavan Venugopal	Member

BOARD OF DIRECTORS

Members of Board of Directors during the fiscal year and as the date of the report were:

Name	Position
Mr. Srinivasa Raghavan Venugopal	Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report was Mr. Srinivasa Raghavan Venugopal – Director.

AUDITORS

BDO Audit Services Co., Ltd was selected to audit the Financial Statements for the year ended 31 March 2021 of Tech Mahindra Vietnam Co., Ltd.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the Company's financial position as at 31 March 2021 as well as its operations results and its cash flows for the fiscal year then end. The Board of Directors believes there are no contingent events that may affect the going concern of the Company. In preparing the Financial Statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State applicable accounting principles that have been followed, any material deviations (if any) discovered and explained in the Financial Statements;
- Prepare the Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business;
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the financial statements are free from material misstatements due to frauds or errors.

The Board of Directors is responsible for ensuring that accounting books are kept adequately to give a true and fair view of the financial position of the Company and to ensure that the accompanying financial statements of the Company were prepared in accordance with Vietnamese Accounting Standards, current Corporate Accounting System of Vietnam and relevant legal regulations. The Board of Directors is also responsible for safeguarding the Company's assets and hence for taking reasonable for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that it has complied with the above requirements in preparing financial statements.

According to the Board of Directors, the accompanying audited Financial Statements give a true and fair view of financial position of the Company as at 31 March 2021, operation results and cash flows for the fiscal year then ended.

Hanoi, June 30, 2021
For and on behalf of the Board of Directors

Srinivasa Raghavan Venugopal
Director

INDEPENDENT AUDITORS' REPORT

Financial Statements of Tech Mahindra Vietnam Co., Ltd for the fiscal year ended 31 March 2021

To: MEMBER OF COUNCIL AND THE BOARD OF DIRECTORS TECH MAHINDRA VIETNAM CO., LTD

We have audited the accompanying financial statements of Tech Mahindra Vietnam Co., Ltd dated 30 June 2021 including: Statement of Financial Position as at 31 March 2021, Statement of Income and Expenditure, Statement of Cash flow and Notes to the Financial Statements for the fiscal year then ended, which are set out on pages 575 to 587.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of the Company's financial statements in accordance with Vietnamese accounting standards, Vietnamese Corporate accounting system and other prevailing legal regulations, and for such internal control as the Board of Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or errors.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatements on the financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion of auditors

In our opinion, in all material respects, the accompanying financial statements give a true and fair view of the financial position of Tech Mahindra Vietnam Co., Ltd as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations on preparation and presentation of the Financial Statements.

BDO AUDIT SERVICES CO.,LTD

Pham Tien Hung
Deputy General Director
Certificate for Audit application registration: 0752-2018-038-1

Le Thi Minh Hong
Auditor
Certificate for Audit application registration: 1922-2018-038-1

TECH MAHINDRA VIETNAM COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

UNIT: VND

ASSETS	Code	Note	Closing balance	Opening balance
A. CURRENT ASSETS	**100**		**194,712,780,152**	**64,349,476,721**
I. Cash and cash equivalents	**110**	**V.1**	**73,972,845,625**	**3,482,049,726**
1. Cash	111		58,972,845,625	3,482,049,726
2. Cash and cash equivalents	112		15,000,000,000	-
II. Current receivables	**130**		**113,000,638,795**	**59,720,191,434**
1. Trade receivables	131	V.2	115,428,945,839	59,672,597,569
2. Other current receivables	136	V.3	268,692,956	47,593,865
3. Provision for doubtful debt	137		(2,697,000,000)	-
III. Inventories	**140**		**1,734,532,820**	**-**
1. Inventory	141		1,734,532,820	-
IV. Other current assets	**150**		**6,004,762,912**	**1,147,235,561**
1. Short-term prepaid expenses	151	V.4	5,944,895,703	-
2. VAT deductible	152		59,867,209	1,147,235,561
B. NON-CURRENT ASSETS	**200**		**76,444,473,049**	**2,107,138,071**
I. Tangible assets	**220**	**V.5**	**74,045,143,672**	**-**
1. Tangible assets	221		74,045,143,672	-
- Historical cost	222		88,866,007,678	-
- Accumulated depreciation	223		(14,820,864,006)	-
II. Other non-current assets	**260**		**2,399,329,377**	**2,107,138,071**
1. Long-term prepaid expenses	261	V.4	1,739,501,348	28,407,141
2. Deffer tax assets	262		659,828,029	2,078,730,930
TOTAL ASSETS	**270**		**271,157,253,201**	**66,456,614,792**
C. LIABILITIES	**300**		**257,733,486,549**	**67,457,125,348**
I. Current liabilities	**310**		**257,733,486,549**	**67,457,125,348**
1. Trade payables	311	V.6	177,082,505,136	33,841,160,108
2. Taxes and duties to the State	313	V.7	275,857,438	4,467,797,678
3. Payables to employees	314		14,309,918	125,353,467
4. Accrued expenses	315	V.8	66,595,676,203	17,197,814,095
5. Other short-term payables	319	V.9	694,964,133	-
6. Short-term loans and finance lease liabilities	320	V.10	11,582,500,000	11,825,000,000
7. Short-term provision	321		1,487,673,721	-
D. OWNERS' EQUITY	**400**		**13,423,766,652**	**(1,000,510,556)**
I. Owner's equity	**410**	**V.11**	**13,423,766,652**	**(1,000,510,556)**
1. Contributed capital	411		1,135,000,000	1,135,000,000
2. Undistributed post-tax profits	421		12,288,766,652	(2,135,510,556)
- Undistributed post-tax profits accumulated by end of previous year	421a		(2,135,510,556)	(5,042,588,136)
- Undistributed post-tax profits of current year	421b		14,424,277,208	2,907,077,580
TOTAL RESOURCES	**440**		**271,157,253,201**	**66,456,614,792**

Hanoi, June 30, 2021

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 March 2021

UNIT: VND

ITEMS		Code	Note	Current year	Previous year
1.	Revenue from sales of goods and services	01	VI.1	312,852,117,133	86,195,835,902
2.	Revenue deductions	02		-	-
3.	**Net revenue from sales of goods and services**	**10**		**312,852,117,133**	**86,195,835,902**
4.	Cost of goods sold and services rendered	11	VI.2	288,694,286,136	78,932,439,501
5.	**Gross revenue from sales of goods and services**	**20**		**24,157,830,997**	**7,263,396,401**
6.	Financial income	21	VI.3	491,463,985	31,480,364
7.	Financial expenses	22	VI.4	1,672,902,431	734,864,921
	- In which: Interest expenses	23		612,902,631	442,301,643
8.	Selling expenses	25		-	-
9.	Administrative and general expenses	26	VI.5	8,063,140,518	3,737,105,342
10.	**Net profit from operating activities**	**30**		**14,913,252,033**	**2,822,906,502**
11.	Other income	31		-	-
12.	Other expenses	32		415,687,026	112,296
13.	**Other profit/(loss)**	**40**		**(415,687,026)**	**(112,296)**
14.	**Total pre-tax profit**	**50**		**14,497,565,007**	**2,822,794,206**
15.	Current corporate income tax expenses	51	VI.7	(1,345,615,102)	1,994,447,556
16.	Deferred corporate income tax expenses	52		1,418,902,901	(2,078,730,930)
17.	**Profit after corporate income tax**	**60**		**14,424,277,208**	**2,907,077,580**

Hanoi, June 30, 2021

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

TECH MAHINDRA VIETNAM COMPANY LIMITED

STATEMENT OF CASH FLOW

Indirect method

For the year ended 31 March 2021

UNIT: VND ITEMS

ITEMS		Code	Notes	Current year	Previous year
I.	**CASH FLOWS FROM OPERATING ACTIVITIES**				
1.	**(Loss)/Profit before tax**	**01**		**14,497,565,007**	**2,822,794,206**
2.	**Adjustments for:**				
-	Depreciation and amortisation	02		14,820,864,006	-
-	Provision	03		4,184,673,721	-
-	Profits/losses of exchange rate differences from revaluation of accounts derived from foreign currencies	04		737,500,000	292,563,278
-	Gain/loss from investing activities	05		(124,307,341)	(21,943,364)
-	Interest expense	06		612,902,631	442,301,643
3.	**Operating income before changes in working capital**	**08**		**34,729,198,024**	**3,535,715,763**
-	Increase/decrease in receivables	09		(54,890,079,009)	(57,000,060,242)
-	Increase/decrease in inventories	10		(1,734,532,820)	-
-	Increase/decrease in payables (other than interest expenses, corporate income tax payables)	11		190,554,170,928	51,887,322,736
-	Increase/decrease prepaid expenses	12		(7,655,989,910)	(28,407,141)
-	Interest expense paid	14		(173,642,060)	-
-	Corporate income tax paid	15		(616,628,917)	-
Net cash flows from operating activities		**20**		**160,212,496,236**	**(1,605,428,884)**
II.	**CASH FLOWS FROM INVESTMENT ACTIVITIES**				
1.	Additions to fixed assets and other long-term assets	21		(88,866,007,678)	-
2.	Proceeds from loans, dividends, profit	27		124,307,341	21,943,364
Net cash flows from investment activities		**30**		**(88,741,700,337)**	**21,943,364**
III.	**CASH FLOW FROM FINANCIAL ACTIVITIES**				
1.	Proceeds from borrowing	33		91,680,000,000	-
2.	Payment for the original loan	34		(92,660,000,000)	-
Net cash flows from financial activities		**40**		**(980,000,000)**	**-**
NET CASH INFLOWS		**50**		**70,490,795,899**	**(1,583,485,520)**
Cash and cash equivalents at the beginning of the year		60	V.1	3,482,049,726	5,065,535,246
Impact of exchange rate difference		61		-	-
Cash and cash equivalents at the end of the year		**70**	**V.1**	**73,972,845,625**	**3,482,049,726**

Hanoi, June 30, 2021

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

NOTES TO THE FINANCIAL STATEMENTS

I. CORPORATE INFORMATION

1. Owner's equity

Tech Mahindra Vietnam Co., Ltd (hereafter referred as "the Company") is an one member limited liability company incorporated under the Law on Enterprise of Vietnam with duration of 10 years pursuant to the Investment Certificate No 6557776707 dated 24 January 2017 and Business Registration dated 23 March 2017 issued by Hanoi Department of Planning and Investment. Parent Company is Tech Mahindra Limited, with the operating license No. 041370 dated 24/10/1986 in India, the head office is located at Gateway Building, Apollo Bunder, Mumbai – 400001, Maharashtra, India.

The information about investors and equity structure is as follows:

Investors	Under Investment License (USD)	Capital contributed	
		Ownershi Proportion	As at 31 March 2021
Tech Mahindra Limited	50,000	100%	50,000

2. Principal activities of the Company

- Software manufacturing;
- IT services and other services related to computers;
- Implementing the retailing distribution right (without establishing retail outlets) of the goods with HS code 8471.

3. Normal operating cycle

The operating cycle is the average period of time required for a business to make an initial outlay of cash to produce goods, sell the goods or serives, and receive cash from customers in exchange for the goods or services. Normal operating cycle of the Company is 12 months.

4. Employee

The total number of employees of the Company as at 31 March 2021 is 32 persons (as of 31 March 2020 is 28 person).

II. ACCOUNTING PERIOD, ACCOUNTING CURRENCY

1. Accounting period

The Company's accounting period is from 01 April to 31 March of the next year.

2. Accounting currency

The Company maintains its accounting records in Vietnamese Dong (VND).

III. APPLICABLE ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS

1. Accounting framework

The Company applies Vietnamese Corporate Accounting System issued accompanying with Circulars No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance, and Circular 53/2016 TT-BTC dated 21/03/2016 issued by the Ministry of Finance for modifying, supplementing some articles of Circular No.200/2014/TT-BTC.

Financial statements are prepared under historical cost principle and in accordance with Vietnamese Accounting Standards. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2. Declaration on compliance with accounting standard and accounting system

The Board of Directors ensures that the financial statements have been prepared and presented in accordance with the requirements of the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and other prevailing legal regulations guiding the preparation and presentation of financial statements.

IV. APPLICABLE ACCOUNTING POLICIES

1. Exchange rates applied in accounting system

- Commercial bank the Company selects to apply exchange rate in accounting is Citibank, N.A, Ha Noi Branch (Citibank);

- Exchange rates applied in transaction recording comprise:
  + Actual exchange rates at the time of incurred transaction:

  Shall be used to convert into currency recorded in accounting book for transaction of recording revenue, other income, operating expenses, other expenses, assets, other receivables, equity in cash, prepayments to buyers, payables, advance received from customers.

  In the case of sale of goods or provision of services related to revenue received in advance or receipts in advance from the buyer: Revenue, income corresponding to the amount received in advance will be applied at the actual transaction exchange rate at the time buyer's pre-emptive point.

  In case of buying assets related to prepaid transactions to sellers: The value of assets corresponding to the prepaid amount shall be the actual transaction exchange rates applicable at the time of advances to the sellers.

  + Specific identification actual accounting book exchange rates:

  Shall be used to convert transactions into the accounting currency for ones recorded for decrease in: Receivables, Advances from customers due to the transfer of products, goods, fixed asets, services, accepted volume, Collaterals, Prepaid expenses, Payables, Advances to suppliers for products, goods, fixed assets, services received, accepted volume.

  + Moving weighted average bookkeeping rate:

  Shall be used to convert into the currency recorded in accounting books in the Credit side of the cash accounts when making a payment in foreign currency.

- Actual exchange rates upon revaluation at the date of the financial statements:
  + For monetary items derived from foreign currencies classified as assets: applied exchange rate is exchange rate of buying of Citibank as at 31 March 2021. For foreign currency deposited in bank, the actual exchange rate upon revaluation is exchange rate of the bank where the Company opens foreign currency accounts.
  + For monetary items derived from foreign currencies classified as liabilities: applied exchange rate in revaluation is selling exchange rate announced by Citibank as at 31 March 2021.

  Exchange rate difference in the year and difference from revaluation of monetary items denominated in foreign currencies are recognized as financial income or expenses in the year.

2. Recognition of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposit and time deposit, cash in transit and short-term investments with maturity of less than three months that can be easily transferred to cash without any risks in transferring at the date of the report. The identification of cash and cash equivalents is in accordance with Vietnam Accounting Standard No. 24 "Cash Flow Statement".

3. Recognition of receivables

The amounts of receivables shall be classified into trade receivables, other receivables following principles below:

- **Trade receivables:** include commercial receivables generating from purchase - sale related transactions;
- **Other receivables:** include non - commercial or non - trading receivables such as receivables from loans, deposits, dividends and profit distributed, payments entiled by third party, amounts that the entrusted party must collect for the entrusting party, receivables from lending the property, receivables for fines, compensations, assets awaiting resolution, and etc.

  Monitoring receivables

  Receivables shall be recorded specifically to original terms and remaining recovery terms as at the reporting date, original currencies and each object. At the financial statements' preparation date, receivables which have remaining recovery terms of less than 12 months or a business cycle are classified as current receivables, receivables which have remaining recovery terms of over 12 months or a business cycle are classified as non - current receivables.

  Allowance for doubtful debts

  The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date, which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the Income statement.

4. Recognition of Inventory

Inventories are determined based on the lower of cost and net realizable value. The price of inventories comprises all costs of purchases, costs of conversion and other costs directly related to bringing the inventories to the location and current status. The net realizable value is determined as the estimated selling price minus (-) the estimated costs to complete the product and the estimated costs necessary for consumption.

5. Recognition of prepaid expenses

Prepaid expenses are expenses which have actually incurred yet are related to operational outputs of many accounting periods and the transfer of these expenses to operating expenses of subsequent accounting periods.

Each prepaid expense incurred shall be recorded in details of maturity. As at the reporting date, prepaid expenses that have maturity of less than 12 months or a business cycle since the date of prepayment are classified as current prepaid expenses, expenses that have maturity of over 12 months or a business cycle since the date of prepayment are classified as non-current prepaid expenses.

6. Recognition of fixed assets and Depreciation

Tangible fixed assets

Fixed assets are stated at historical cost and accumulated depreciation.

The historical cost of tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the tangible fixed assets into work condition for its intended use. The identification of the historical cost of each category of tangible fixed assets is in accordance with Vietnames Accounting Standard No. 03 on tangible fixed assets.

Costs incurred after initial recognition such as maintenance and repairs are charged to the income statement as incurred. In situations where can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible assets.

When fixed assets are sold or proposed, their cost and accumulated depreciation are eliminated from the Balance sheet and any gain or loss arising from the disposal of fixed assets are accounted for in the income statement.

Depreciation of tangible assets and intangible assets is calculated using the straight-line method, in accordance with the Circular 45/2013/TT-BTC dated 25 April 2013 of the Finance Ministry and Circular 147/2016/TT-BTC dated 13 October 2016 of the Finance Ministry promulgating on management and use of fixed assets depreciation. Estimated useful lives of fixed assets are as follows:

Assets	Useful life
Machinery and equipment	07 years
Office Equipment	03 years

7. Recognition of payables

The amount of payable shall be classified into trade payable and other payables following principles below:

- **Trade payables:** include commercial payables arisen from purchases of goods, services or assets.
- **Other payables:** include non-commercial payable amounts, or payable amounts that are not related to trading in goods or services (such as payables by a third party, payables arising from borrowing assets, fines and compensation payable, assets awaiting resolution, payables on social insurance, health insurance, unemployment insurance, union funds and etc..).

Monitoring payables

Payables shall be specially recorded to original terms and remaining terms as at the reporting date, original currencies and each object. At Financial Statement's preparation date, payables that have remaining repayment terms of less than 12 months or a business cycle are classified as current payables, payables that have remaining repayment terms of over 12 months or a business cycle are classified as non-current payables.

Recognized payables shall be not lower than payable obligations.

8. Recognition of borrowings and finance lease liabilities

Borrowings and finance lease liabilities shall be specially recorded to each object, terms, original currencies. As at the consolidated financial statement's preparation date, borrowings and finance lease liabilities that have remaining repayment terms of less than 12 months or a business cycle are classified as current borrowings and finance lease, ones that have remaining repayment terms of over 12 months or a business cycle are classified as non-current borrowings and finance lease liabilities.

Recognition of borrowing expenses

Borrowing expenses include interest expenses and expenses directly relating to the borrowings (such as appraisal costs, audit costs, loan application cost and etc.).

Borrowing expenses are recognized as financial expenses during the period as incurred (except capitalization cases according to regulations in Vietnam Accounting Standards No. 16 “Borrowing expenses”).

9. Recognition of accrued expenses

Accrued expenses include expenses that have been recored into the operating cost, but not actually paid at the end of the fiscal year to ensure the consistency between revenues and expenses. Accrued expenses are recorded based on the reasonable estimation of amount payable for received goods and services including expenses for audit fee, tax and accounting service fee, and etc.

10. Recoginition of provision for liabilities

A provision is recognized 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. Recognized provision satisfies conditions in Vietnamese Accounting Standard 18 “Provision, contingent assets and liabilities”.

11. Recognition of owner’s equity

Recognition of owner’s equity

Owner’s equity is recognized under actual contribution of investors. The actual amount of contribution capital as at 31/03/2021 is 50,000 USD, which equivalent to 1,135,000,000 VND.

Recognition of retained earnings

Retained earnings reflect the business results (profit, loss) after corporate income tax and profit sharing situation or dealing with loss of the Company. Retained earnings shall be specifically recorded to the operational results of each financial year (previous year, current year) and to each profit sharing content (appropriated funds, additional investment capital of the owner, dividends, profits for shareholders and investors).

12. Recognition of revenue

Revenue from sales of goods

Revenue from sales of goods is recognized when the outcomes of such transactions can be reliably measured and the Company is able to obtain economic benefits from these transactions. Revenue is recognized when the majority of risks and benefits of ownership of the goods have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding the recovery of the funds or the possible return of funds.

Revenue from rendering of services

Revenue from the rendering of services is recognized when the outcome of such transactions is reliably determined. When the contract result can be reliably determined, revenue will be recognized based on the level of completion of the work. The level of completion of work is determined by the percentage of number of working hours incurred up to the end of the accounting period in relation to the total estimated hours worked for each contract.

If the contract can not be reliably determined, revenue will only be recognized at the recoverable amount of the costs recognized.

Financial income

Financial income includes interest on deposits, loan interests, dividends and profits distributed, rental income and income from securities trading activities.

Interest on deposits and loan interest is recognized on the basis of the actual time and interest rate in each period, unless the possibility of recovering interest is uncertain.

13. Recognition of cost of goods sold

Cost of goods sold represent cost of goods/service provision in the year. Cost of goods sold is recognized on matching principle between revenue and expenses.

14. Recognition of financial expenses

Financial expenses include: expenses or losses related to borrowing expenses, exchange rate losses, bank fees.

Interest expenses (including accrued interests), losses on the exchange rate differences of the reporting period are fully recognized in the period.

15. Recognintion of Administrative expenses

General and administrative expenses are general management expenses, including salaries and social insurance, health insurance, trade union funds, unemployment insurance for administrative employees (salaries, wages, allowances and etc.); expenses for office supplies, labor tools; rental fee; outsourced services (electricity, water, telephone, fax, audit fee, tax and accounting service fees and etc).

16. Tax accounting principles

Current Corporate Income Tax

Current income tax expenses are determined on the basis of taxable income. Corporate income tax (CIT) applicable to the company is as follows:

Regarding taxable income from software manufacturing activities:

The CIT rate applicable for the Company is 10% of taxable income for 15 years from the operations commencement date and the standard CIT rate applies in subsequent years.

The Company is entitled to an exemption from CIT for 4 years commencing from the first year in which a taxable income is earned and a 50% reduction of the applicable CIT tax rate for the following 9 years. The Company's first year of taxable income is 2018, therefore, the Company is exempt from tax for software manufacturing operation.

Regarding taxable income from other activities:

The CIT rate applicable to the Company for income from other activities is 20% of taxable income.

Deferred tax

Deferred corporate income tax is the amount of income tax payable or refunded due to the temporary difference between the carrying amount of assets and liabilities for the purpose of preparing and presenting financial statements and the values used for tax calculation.

Other taxes: Other taxes are applied according to current tax regulations in Vietnam.

Tax reports of the Company will be subject to inspection of tax authorities. Since the application of laws and regulations on taxation for different transactions can be interpreted in many different ways, the amounts presented in the financial statements could be changed according to the final decision of the tax authorities.

V. ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF FINANCIAL POSITION

Following items are presented in Vietnam dong (VND).

1. Cash and cash equivalent

	Closing balance	Opening balance
Cash on hand	-	-
Cash in bank - Citibank, N.A, Ha Noi Branch (Citibank)	58,972,845,625	3,482,049,726
Total	**58,972,845,625**	**3,482,049,726**
Cash equivalent	15,000,000,000	-
Total cash and cash equivalent	**73,972,845,625**	**3,482,049,726**

2. Trade receivables

Current trade receivables

	Closing balance	Opening balance
Customer 1	81,210,991,331	30,913,547,132
Customer 2	2,697,000,000	9,169,800,000
Customer 3	-	5,399,830,885
Customer 4	4,683,766,200	7,696,199,127
Customer 5	26,837,188,308	6,493,220,425
Total	**115,428,945,839**	**59,672,597,569**

3. Other current receivables

	Closing balance	Opening balance
Unclaimed VAT input	-	47,593,865
Advances to employees	268,533,458	-
Others	159,498	-
Total	**268,692,956**	**47,593,865**

4. Prepaid expenses

a. Short-term prepaid expenses

	Closing balance	Opening balance
Internet charges	661,299,200	-
Software maintenance and support services fee	5,130,467,343	-
Tools, suppliers	126,700,000	-
Others	26,429,160	-
Total	**5,944,895,703**	**-**

b. Long-term prepaid expenses

	Closing balance	Opening balance
Tools, suppliers	199,610,205	28,407,141
Software maintenance and support services fee	1,491,251,143	-
Others	48,640,000	-
Total	**1,739,501,348**	**28,407,141**

5. Tangible fixed assets

	Machinery and Equipment	Office Equipment	Total
HISTORICAL COST			
As at 01/04/2020	-	-	-
Purchase in the year	88,806,831,300	59,176,378	88,866,007,678
As at 31/03/2021	**88,806,831,300**	**59,176,378**	**88,866,007,678**
ACCUMULATED DEPRECIATION			
As at 01/04/2020	-	-	-
Depreciation in the year	14,801,138,550	19,725,456	14,820,864,006
As at 31/03/2021	**14,801,138,550**	**19,725,456**	**14,820,864,006**
CARRYING AMOUNT			
As at 01/04/2020	-	-	-
As at 31/03/2021	**74,005,692,750**	**39,450,922**	**74,045,143,672**

In which: Cost of fixed assets fully depreciated but still in use: 0 dong

Cost of fixed assets are temporarily not in use: 0 dong

Carrying value of fixed assets pledged as security of borrowings: 0 dong

6. Trade payables

6.1 Current trade payables

	Closing balance		Opening balance	
	Original Amount	Amount can be paid off	Original Amount	Amount can be paid off
Vendor 1	168,616,313,137	168,616,313,137	26,103,154,115	26,103,154,115
Vendor 2	4,765,040,500	4,765,040,500	4,574,643,333	4,574,643,333
Vendor 3	-	-	200,646,602	200,646,602
Vendor 4	3,689,445,999	3,689,445,999	2,962,716,058	2,962,716,058
Vendor 5	11,705,500	11,705,500	-	-
Total	**177,082,505,136**	**177,082,505,136**	**33,841,160,108**	**33,841,160,108**

6.2 Trade payables are related parties

Refer to note VII.1

7. Taxes and duties to the State

Tax payables

	Opening balance	Payable in the year	Paid in the year	Closing balance
Value added tax	1,248,623,565	-	1,248,623,565	-
Coporate income tax	1,994,447,556	(1,345,615,102)	616,628,917	32,203,537
Personal income tax	1,224,726,557	3,285,354,060	4,275,108,831	234,971,786
Other tax	-	141,556,706	132,874,591	8,682,115
Total	**4,467,797,678**	**2,081,295,664**	**6,273,235,904**	**275,857,438**

8. Accrued expenses

Current accrued expenses

	Closing balance	Opening balance
Professional services	1,253,161,630	537,132,028
Loan interest	989,905,698	550,645,127
Accrued cost of good sold	64,239,862,199	16,110,036,940
Others	112,746,676	-
Total	**66,595,676,203**	**17,197,814,095**

9. Other current payables

	Closing balance	Opening balance
Payables to TechMahindra India	683,250,131	-
Others	11,714,002	-
Total	**694,964,133**	**-**

10. Loans and finance lease liabilities

Short-term loans	Opening balance		During the year		Closing balance	
	Amount	Repayable amount	Increase	Decrease	Amount	Repayable amount
Tech Mahindra ICT Service (Malaysia)	11,825,000,000	11,825,000,000	-	242,500,000	11,582,500,000	11,582,500,000
Mahindra Engineering Services (Europe) Limited	-	-	91,680,000,000	91,680,000,000	-	-
Total	**11,825,000,000**	**11,825,000,000**	**91,680,000,000**	**91,922,500,000**	**11,582,500,000**	**11,582,500,000**

Details of loans and debts are as follows

Creditor	Balance principal debt		Maturity date	Interest (%/year)	Purpose
	USD	VND			
Tech Mahindra ICT Service (Malaysia) Agreement dated 25 June 2018. Annex of expansion loan contract date 25 June 2020	500,000	11,582,500,000	25/06/2021	3.78%	To meet the required financial requirements and business operation
Total	**500,000**	**11,582,500,000**			

11 Owner's equity

11.1 Changes in owner's equity

Items	Owner's equity	Retained earnings	Total
Opening balance of the previous year	**1,135,000,000**	**(5,042,588,136)**	**(3,907,588,136)**
Increase in capital in previous year	-	-	-
Loss in previous year	-	2,907,077,580	2,907,077,580
Balance at the end of the previous year	**1,135,000,000**	**(2,135,510,556)**	**(1,000,510,556)**
Increase in capital in current year	-	-	-
Loss in the current year	-	14,424,277,208	14,424,277,208
Balance at the end of the current year	**1,135,000,000**	**12,288,766,652**	**13,423,766,652**

11.2 Details of owner's equity

	Charter capital		
	According to Investment licence (USD)	**Own ership ratio**	**Charter capital paid in actual (USD)**
Tech Mahindra Vietnam Co., Ltd	50,000	100%	50,000
Total	**50,000**	**100%**	**50,000**

VI ADDITIONAL INFORMATION FOR ITEMS ON THE STATEMENT OF INCOME AND EXPENDITURE

Following items are presented in Vietnam dong (VND).

1. Revenue from sales of goods and rending of services

	Current year	Previous year
Revenue from sales of goods	-	12,486,235,647
Revenue from rendering of services	312,852,117,133	73,709,600,255
Total	**312,852,117,133**	**86,195,835,902**

2. Cost of goods sold and services rendered

	Current year	Previous year
Cost of goods sold	-	9,512,946,865
Cost of service rendered	288,694,286,136	69,419,492,636
Total	**288,694,286,136**	**78,932,439,501**

3. Financial income

	Current year	Previous year
Bank interest	124,307,341	21,943,364
Gain on exchange rate difference	367,156,644	9,537,000
Total	**491,463,985**	**31,480,364**

4. Financial expenses

	Current year	Previous year
Loss on exchange rate difference	1,059,999,800	292,563,278
Interest expense	612,902,631	442,301,643
Total	**1,672,902,431**	**734,864,921**

5 General and administrative expenses

	Current year	Previous year
Administrative employee expenses	1,090,074,370	1,935,552,354
Depreciation expenses	19,725,456	-
Office supply expenses	195,813,384	2,582,469
Taxes, fees, and charges	10,682,115	2,000,000
External service expenses	3,108,029,744	1,616,267,526
Other monetary expenses	941,815,449	180,702,993
Provision for doubtful debt	2,697,000,000	-
Total	**8,063,140,518**	**3,737,105,342**

6. Production and operating expenses

	Current year	Previous year
Labour cost	23,296,485,255	19,679,818,530
Depreciation expenses	14,820,864,006	-
Tool and instrument cost	195,813,384	2,582,469
External services expenses	254,737,618,274	61,761,206,456
Other monetary expenses	1,009,645,735	1,225,937,388
Provision cost	2,697,000,000	-
Total	**296,757,426,654**	**82,669,544,843**

7. Current corporate income tax expense

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Corporate Income tax in the year of the Company:

	Current year	Previous year
Net (loss)/profit before tax	**14,497,565,007**	**2,822,794,206**
Adjustment of (decrease)/increase in (loss)/profit	**-**	**7,149,443,575**
Adjustments of increase	-	7,149,443,575
Non-deductible interest expenses		442,301,643
Other non-deductible expenses	-	346,254,016
Provision for expenses	-	6,360,887,916
Adjusted pre-tax (loss)/profit without deducting loss in previous years	**14,497,565,007**	**9,972,237,781**
Estimated taxable income in current period	14,497,565,007	9,972,237,781
Current corporate income tax expense	**1,449,756,501**	**1,994,447,556**
Exempted corporate income tax (*)	1,449,756,501	-
Estimated Corporate Income Tax	**-**	**1,994,447,556**
At the beginning of year	**1,994,447,556**	**-**
Adjustment of previous year of corporate income tax	(1,345,615,102)	-
Corporate income tax paid during the year	616,628,917	-
At the end of year	**32,203,537**	**1,994,447,556**

Tax reports of the Company will be subject to inspection of tax authorities. Since the application of laws and regulations on taxation for different transactions can be interpreted in many different ways, the amounts presented in the financial statements could be changed according to the final decision of the tax authorities.

VII. OTHER INFORMATION

1. Related parties

Related parties

Parties are considered to be related if one party has the ability to control the other parties or exercise significant influence over the other party in making financial and operating decisions. Related parties comprise enterprises including parent company, subsidiaries, individual directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise. Associates, individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that give them significant influence over the enterprise, key management personnel, officers, close members of the family of an individual and associate, or the individual's associate are also considered as related parties.

During the fiscal year ended 31 March 2021, related parties of the Company are determined as following:

Related parties	Relationship
Tech Mahindra Limited	Parent Company
Tech Mahindra ICT Service (Malaysia)	Company in group
Mahindra Enginering Services (Europe) Limited	Company in group
Mr. Srinivasa Raghavan Venugopal	Director, Member of Member of Council
Mr. Manish Goenka	Chairman of Member of Council
Mr. Gautam Shirali	Member of Member of Council

Transaction with related parties

Significant transaction with related parties during the year as following:

In the year	Transaction	Current year	Previous year
Tech Mahindra Limited	SubconExp-Ring Fencing InterCo	111,013,714,974	25,559,174,147
	Revenue from rendering services	177,171,521,677	50,350,380,703
	Others	-	415,499,651
Tech Mahindra ICT Service (Malaysia) SDN.BHD	Interest expenses	439,260,571	442,301,643
Mahindra Enginering Services (Europe) Limited	Borrowings	91,680,000,000	-
	Interest expense	173,642,060	-
	Borrowings Paid	91,680,000,000	-
	Interest expense paid	173,642,060	-

Balances with related parties

Amount due to and from related parties as balance sheet date as following:

Related parties	Content	Current year	Previous year
Tech Mahindra Limited	Trade receivables	81,210,991,331	30,913,547,132
	Trade payables	168,616,313,137	26,103,154,115
	Other short-term payables	683,250,131	-
Tech Mahindra ICT Service	Short-term loans and finance lease liabilities	11,582,500,000	11,825,000,000
	Interest expense payables	989,905,698	550,645,127

Pricing policies for transactions between the Company and other related parties

Services provided by related parties are negotiated among parties involved.

2. Subsequent events after balance sheet date

There have been no significant events occuring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

3. Comparative figures

Comparative figures are the figures in the financial statements for the fiscal year ended 31 March 2020 audited by BDO Audit Services Company Limited.

4. Going concern

At the date of the Financial Statements, there were no activities or events that have significant impact on going concern of the Company, therefore the Financial Statements were prepared on going concern basis.

Hanoi, June 30, 2021

Nguyen Cong Vinh
Chief Accountant

Srinivasa Raghavan Venugopal
Director

MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

Directors
Mr Lakshmanan Chidambaram - Appointed 25 November 2020
Mr Vikram Nair
Mr Belavadi Sathisha - Appointed 25 March 2021
Mr Arvind Malhotra - Resigned 25 November 2020

Registered number
04117035

Registered office
Atrium Court The Ring Bracknell
Berkshire RG121BW

Independent Auditors
MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditor
Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK91LZ

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Fair review of the business

During the year ended March 31, 2021 the loss before tax is £12,313,738 (2020 - profit before tax of £1,181,225) and the key results are as follows:

	2021	2020
	£	£
For the 12 month period ended March 31, 2021		
Revenue from operations		
Add: Interest income	548,932	378,299
Add: Other income	8,403	11,154
Total Revenue	**557,335**	**389,453**
Less: Interest payable	(2,482,881)	-
Less: Net exchange gain/(loss)	(1,719,357)	791,772
Less: Provision for Brazil loan and interest	(8,668,835)	-
Profit Before Tax	**(12,313,738)**	**1,181,225**

Preference Shares

During the year 46,961,578 Preference Shares of £1.00 each registered in the name of Tech Mahindra Ltd were re-classified as Ordinary Shares of £1.00 each and consequently a coupon became payable on these shares, which were also approved in the books amounting to £2,473,026.

Brazil loan

MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED (MES UK) has given a total loan amounting to £8,273,314 to Tech Mahindra Servicos De Informatica LTDA Brazil. Interest amounting to £395,521 is outstanding on the same. As a result of the financial conditions in that entity they are not capable of retuning the funds to MES UK, hence we have provided for the loss in our books.

COVID Impact

The pandemic has been rapidly spreading throughout the world, including the UK. Various governments have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Due to this, there has been adverse impact in foreign exchange currency rates across the globe and consequently MES UK has booked losses from June 2020. The management is of the opinion that the situation will steadily change in a positive way in the next coming years

This report was approved by the board on June 7, 2021 and signed on its behalf.

Vikram Nair
Director
Place: United Kingdom

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £12,313,738 (2020 - profit £956,792).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

Mr Lakshmanan Chidambaram - Appointed 25 November 2020

Mr Vikram Nair

Mr Belavadi Sathisha - Appointed 25 March 2021

Mr Arvind Malhotra - Resigned 25 November 2020

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on June 7, 2021 and signed on its behalf.

Vikram Nair
Director
Place: United Kingdom

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

Opinion

We have audited the financial statements of Mahindra Engineering Services (Europe) Ltd (the 'Company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 590, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions held with management and those charged with governance around any legal claim.
- Audit work performed over key risk areas identified such as management override and reviewing accounting estimates for bias.
- Review of financial statement disclosures to ensure accounting policies have been correctly followed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Newell BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditor

Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 2HR
Date: June 11, 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Administrative expenses		(1,719,354)	791,772
Operating (loss)/profit	4	**(1,719,354)**	**791,772**
Income from non current asset investments		8,403	11,154
Intercompany loan provision		(8,668,835)	-
Interest receivable and similar income	8	548,929	378,299
Interest payable and expenses	9	(2,482,881)	-
(Loss)/profit before tax		**(12,313,738)**	**1,181,225**
Tax on (loss)/profit	10	-	(224,433)
(Loss)/profit for the financial year		**(12,313,738)**	**956,792**
Other comprehensive income for the year			
Total comprehensive income for the year		**(12,313,738)**	**956,792**

The notes on pages 596 to 600 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Non current assets					
Investments	11		48,408,019		9,845,649
			48,408,019		**9,845,649**
Current assets					
Debtors: amounts falling due within one year	13	17,568,332		24,018,969	
Cash at bank and in hand	14	61,856		300,419	
		17,630,188		**24,319,388**	
Creditors: amounts falling due within one year	15	(4,089,015)		(315,501)	
Net current assets			**13,541,173**		**24,003,887**
Total assets less current liabilities			61,949,192		33,849,536
Creditors: amounts falling due after more than one year	16		(14,191,477)		(30,739,663)
Net assets			**47,757,715**		**3,109,873**
Capital and reserves					
Called up share capital	18		57,026,580		65,000
Profit and loss account			(9,268,865)		3,044,873
			47,757,715		**3,109,873**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Vikram Nair
Director
Date: June 11, 2021
Place: United Kingdom
The notes on pages 596 to 600 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	65,000	2,088,081	2,153,081
Comprehensive income for the year			
Profit for the year	-	956,792	956,792
At 1 April 2020	**65,000**	**3,044,873**	**3,109,873**
Comprehensive income for the year			
Loss for the year	-	(12,313,738)	(12,313,738)
Total comprehensive income for the year		**(12,313,738)**	**(12,313,738)**
Shares issued during the year	56,961,580		56,961,580
Total transactions with owners	**56,961,580**		**56,961,580**
At 31 March 2021	**57,026,580**	**(9,268,865)**	**47,757,715**

The notes on pages 596 to 600 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Mahindra Engineering Services (Europe) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tech Mahindra Limited as at 31 March 2021 and these financial statements may be obtained from Gateway Building, Apollo Sunder, Mumbai, Maharashtra, 400001, India.

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Foreign currency translation Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of company's accounting policies, the directors are required to make judgments, esimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:	2021 £	2020 £
Exchange differences	**1,710,152**	**(802,818)**

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £2,719,610 (2020: (£802,818)).

5. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Employees

Staff costs were as follows:

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

7 Income from investments	2021 £	2020 £
Income from non current asset investments	(8,403)	(11,154)
	(8,403)	**(11,154)**

8. Interest receivable	2021 £	2020 £
Interest receivable from group companies	548,929	378,257
Other interest receivable	-	42
	548,929	**378,299**

9. Interest payable and similar expenses

	2021 £	2020 £
Other loan interest payable	2,473,026	-
Loans from group undertakings	9,855	-
	2,482,881	**-**

10 Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	224,433
	-	**224,433**
Total current tax	**-**	**224,433**
Deferred tax		
Total deferred tax		
Taxation on profit on ordinary activities	**-**	**224,433**

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020- 19%) as set out below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(12,313,738)	1,181,225
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(2,339,610)	224,433
Effects of:		
Group relief	2,339,610	-
Total tax charge for the year	**-**	**224,433**

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Non current asset investments

	Shares in group undertaking £	Other non current asset investments £	Total £
Cost or valuation			
At 1 April 2020	7,903,765	1,941,884	9,845,649
Additions	42,262,370	-	42,262,370
Disposals	(3,700,000)	-	(3,700,000)
At 31 March 2021	**46,466,135**	**1,941,884**	**48,408,019**

12. Subsidiary undertaking

Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name	Registered office	Class of shares	Holding
Inter-Informatics spol s.r.o.	Czech Republic	Ordinary	100%
Tech Mahindra Communication Japan Co Ltd (Formerly K-Vision Limited)	Japan	Ordinary	100%
TC Inter Informatics a.s.	Czech Republic	Ordinary	100%
Perigord Asset Holdings Limited	Ireland	Ordinary	100%

On the 1 April 2020, Inter-Informatics SRL, in which the company held 100% of the issued share capital merged with TC Inter Informatics a.s. This became effective on 1 March 2021.

13 Debtors

	2021 £	2020 £
Amounts owed by group undertakings	17,568,066	24,018,789
Other debtors	251	180
Tax recoverable	15	-
	17,568,332	**24,018,969**

14. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	61,856	300,419
	61,856	**300,419**

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	5
Corporation tax	-	224,271
Other creditors	4,083,665	85,875
Accruals and deferred income	5,350	5,350
	4,089,015	**315,501**

Included within other creditors are Coupons payable of £2,473,026 which was triggered as a result of a conversion of Preference shares to Ordinary shares. Additionally, there is a contractual obligation due on the investment purchase of Perigord Asset Holdings Limited. £1,610,639 relates to amounts due within one year and £14,191,477 will become due after one year.

16. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	14,191,477	30,739,663
	14,191,477	**30,739,663**

During the year ended 31 March 2020, 7,772,423 preference shares of £1 each were allotted to Tech Mahindra Limited at a price of £1.00 each for a total consideration of £7,772,423. These share are redeemable at the end of 1O years from the date of issue. On 25 March 2021, the entire consideration of Preference shares were reclassified as Ordinary shares.

17. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	1,071,314	300,419

18. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
57,026,580 (2020 - 65,000) Ordinary shares of £1.00 each	57,026,580	65,000

On 7 April 2020 16,221,915 £1 Preference shares were alloted, taking the total number of this class of shares to 46,961,578. On 4 January 2021 10,000,000 £1 Ordinary shares were issued. A reclassification of the full quota of Preference shares to Ordinary shares was agreed by written resolution on 25 March 2021.

19. Controlling party

The ultimate controlling party of Mahindra Engineering Services (Europe) Limited is Tech Mahindra Limited, which owns 100% of the issued share capital of the Company.

Tech Mahindra Limited prepares group accounts which include these accounts and which are publicly available from their registered office.

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Gross profit		
Less: overheads		
Administration expenses	(1,719,354)	791,772
Operating (loss)/profit	(1,719,354)	791,772
Interest receivable from group companies	548,929	378,299
Interest payable	(2,482,881)	
Investment income	(8,660,432)	11,154
Tax on (loss)/profit on ordinary activities		(224,433)
(Loss)/Profit for the year	**(12,313,738)**	**956,792**

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2021

Administrative expenses	**2021**	**2020**
	£	**£**
Postage	-	1,609
Telephone and fax	490	740
Legal and professional	1,183	1,700
Accountancy fees	5,350	5,350
Bank charges	1,278	1,209
Difference on foreign exchange	1,710,152	(802,818)
Sundry expenses	901	438
	1,719,354	**(791,772)**

Interest receivable		
Bank interest receivable	-	42
Group interest receivable	548,929	378,257
	548,929	**378,299**

Interest payable		
Group interest payable – interco	9,855	-
Other loan interest payable	2,473,026	-
	2,482,881	**-**

Investment income		
Income from non current investments	8,403	11,154
Provision against recoverability of loans due from group undertakings	(8,668,835)	-
	(8,660,432)	**11,154**

TC INTER-INFORMATICS a.s.

Board of Directors
Mr. Belavadi Krishna Rao Sathisha
Mr. Venkateswara Rao Gajjala
Mr. Karel Kollert

Registered Office
Prague 9,
Kolčavka 3/75
Postal Code 19000

Auditors
HEDLEY AUDIT s.r.o.
Salvátorská 931/8,
110 00 Prague 1

DESCRIPTION OF ACCOUNTING ENTITY:

Company name:	**TC INTER-INFORMATICS a.s.**
Legal form:	Joint-stock company
Identification no.:	270 70 115
Registered office of the company:	Prague 9, Kolčavka 3/75, Post Code 19000
Company adress:	Kolčavka 3/75, 190 00 Prague 9
Capital:	25 500 000,00 CZK
Shares:	Total 51 shares per owner at face value of CZK 500.000,00/ piece
Establishment of the company:	23.6.2003
Entry in the Commercial Register:	23.6.2003
Subject of business:	Production, trade and services not listed in Annexes 1 to 3 of the Trade Act
Composition of statutory bodies:	Chairman of the Board
	BELAVADI KRISHNA RAO SATHISHA
	Members:
	VENKATESWARA RAO GAJJALA
	KAREL KOLLERT
Persons involved in the entity's capital of more than 20%	MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED with the share of 100 %
Accounting period:	From 1.4.2020 until 31.3.2021
Number of employees:	As of 1.4.2020 130
	As of 31. 3. 2021
Place of keeping the Annual Report:	Company Secretariat
Companies on which the reporting company exercises decisive influence:	None

TC INTER-INFORMATICS a.s. is a supplier for engineering services in the field of engineering. It is a 100 % subsidiary of MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED, which is a member of the Tech Mahindra Group.

As part of the merger, TC INTER-INFORMATICS a.s. became the successor company to the company Inter-Informatics, spol. s r.o. which ceased to exist by this merger.

The date of the merger is April 1, 2020.

The sole shareholder of the successor company before the decisive date of the merger was Inter-Informatics, spol. s r.o..

Since 1 March 2021, when the merger was registered in the Commercial Register, MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED has been the sole shareholder.

The company's strategy is based on the overall Group's strategy:

NBy providing comprehensive solutions in the field of engineering services to help customers improve their market position (e.g. by transferring new knowledge and experience, reducing costs, accelerating and streamlining internal processes).

REPORT ON THE COMPANY BUSINESS ACTIVITIES AND MANAGEMENT

Past and projected developments and prospect for the next period

After successfully settling negative liabilities from the period prior to the acquisition, gradual stabfllzation of teams, use of processes, capacities and knowledge within the Tech Mahindra Group, all activities of the company were directed towards further deepening of cooperation with existing customers and launching new business opportunities.

Unfortunately, further commercial development was prevented by the global pandemic caused by the Covid-19 virus, which had a direct impact mainly on the sector of aviation.

It should be stressed that, as regards the fulfilment of commitments and the timeliness of deliveries, the market situation caused by the Covid-19 pandemic had no negative Impact on the company. The company's employees use only software and hardware equipment for their work, and without any downtime, the work was swiftly transferred to work from home mode, the so-called Home Office.

From the point of view of sales, the situation was negatively affected only in the aviation sector, but since the company is strategically focused on three business areas, it was able to optimally compensate for these aviation outages.

The Involvement and use of the spare capacities of aviation designers in other areas, i.e. for projects in rail and general engineering, has been and is still taking place in the form of intensive training of aviation employees.

The result was successful involvement of these spare capacities in the physical and successful implementatlon of projects outside the aviation sector.

In parallel, we managed to reduce costs (reduction of the number of employees, temporary decrease of the salary for TOP management, etc.), completely cancel some obligations (accommodation-rental in Buxtehude, Germany, decrease of SW Catla VS licenses) or negotiate better conditions for renting premises of headquarters in Prague.

Another important milestone In this period was the opening and successful Implementation of the national merger, in which Inter-Informatics, s.r.o. merged as the company being merged with TC INTER-INFORMATICS a.s., as the successor company.

The reason for carrying out this national merger was that the Inter-Informatics Group, to which both companies belonged, was undergoing the revision of the corporate structure at global level with the main aim of simplifying and rationalising organisation, functionality and governance.

The date of the legal effects of the merger was 1 March 2021, when as a result of the merger the assets of the company Inter-Informatics, s.r.o. were transferred to the successor company TC INTER-INFORMATICS a.s..

As a result of this merger, the reciprocal trade relatlons were not affected in any way and all contracts concluded so far with the merging company remained in force.

At the same time as the merger, the members of the Board of Directors of the company changed.

For the upcoming new flnanclal period, a new business plan has been created that takes into account the main factors of growth, new areas of business interest and the necessary knowledge and capacities to ensure implementation.

In line with the new business plan, two main performance indicators of the company, i.e. Revenue and Ebitda, have been set by the owner as the new target for the financial year 2021.

The company anticipates a further increase in orders in Rail + Machinery areas that have not been negatively affected by Covid situation.

At the same time, after the successful implementation of the project by the parent Tech Mahindra Limited

for koda Auto (development of a new SUV for the Indian market), it started negotiations to expand cooperation with TC INTER-INFORMATICS a.s. for the technical development department at koda Auto in Mladii Boleslav.

As part of the marketing campaign, the company responds to the market situation, uses its local presence and expands Its competencies.

Together with the parent company, it plans to create a local delivery centre with capacity of knowledge in the field of Electrical Engineering & Embedded Electronics & Programming &Communications with direct coordination from its headquarters in India.

In the upcoming period, the company expects a gradual increase In orders also In the Aerospace area, especially with the strategic customer Airbus Group (implementation activities for the Airbus Group customer were not Interrupted even during the pandemic).

With the gradual increase in the needs of Airbus or Boeing manufacturers, we expect a re start of cooperation with suppliers of these manufacturers as well as our customers such as Safran Group in Herborn, Germany, or Pilsen, and Bucher Group in Fallanden, Switzerland.

Cooperation with the traditional Aero Vodochody Aerospace customer also successfully continues without significant outages.

We plan to further compensate for this outage of orders in aviation by extending the scope of our existing supply activities, i.e. in addition to activities within our DOA authorisation for engineering services; we plan to supplement them with our own production or to find partners with the so-called POA authorisation for the aviation industry. We have already started this business plan, focusing our choice on small and medium-sized producers in Europe.

The management of TC INTER-INFORMATICS a.s. here expresses Its thanks and appreciation to all employees for the work done in the past period and at the same time for their trust and loyalty to the company.

Research & Development activities

The company did not spend any Research & Development funds in 2020.

Activities In the field of environment and labour relations

The company adheres to all regulations in the field of labour relations and creates good working conditions. The company has no envlronmental activities.

Information on facts occurring after the balance sheet date

After the balance sheet date until the date of preparation of the accounts, there were no facts that were material and would had not been described In the notes on the accounts.

Statutory declaration of honour

The data provided in the Annual Report of TC INTER-INFORMATICS a.s. for the period from 1 April 2020 to 31 March 2021 correspond to facts and no material circumstances that could affect the precise and correct assessment of the company were omitted.

In Prague on May 20, 2021

Ing. Karel Kollert
Member of the Board of Directors

FINANCIAL STATEMENT FOR THE PERIOD APRIL 1, 2020 TO MARCH 31, 2021

Company name:	TC INTER-INFORMATICS a.s.
Registered office of the company:	KolC1vka 3/75, 190 00 Prague 9
Legal form:	Joint-stock company
Identification No:	**27070115**

Components of financial statements:

Balance sheet

Income statement

Statement of changes In equity

Statement of cash flows

Notes

The financial statement was prepared on May 20, 2021.

Statutory body of the entity

Ing. Karel Kollert Member of the Board
Place: Prague

CONTENT

Board of Directors of TC INTER-INFORMATICS a.s., based in Prague 9, Kolcavka 3/75, as the statutory body of the controlling entity, pursuant to Section 82 of Act No. 90/2012 Coll. on Business Corporations, (hereinafter referred to as the 11ZOK11 prepared the following report on relations between the

controlling and controlled entity and the persons controlled by this controlling entity {hereinafter re ferred to as connected persons} for the financial year from 1 April 2020 to 31 March 2021.

1. Controlling entity

a. Company: MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

b. Based: Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW, United Kingdom of Great Britain and Northern Ireland

c. Company existing under the law of England and Wales registered under registration number 4117035

2. Controlled entity

a. Company: TC INTER-INFORMATICS a.s

b. Based: Prague 9, Kolfavka 3/75, Post Code 19000

c. Registered in the Commercial Register maintained by the Municipal Court in Prague, sec tion B, insert 8494

3. Related persons - Persons controlled by the same person

a. Company: none

4. Scheme of indicated persons

MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED - controlling (mother) company Controlled (subsidiary) companies:

TC INTER-INFORMATICS a.s

- Based in Prague 9, Kolcavka 3/75, Post Code 190 00
- Registered in the Commercial Register maintained by the Municipal Court in Pra gue, section B, insert 8494

5. Structure of relationshi ps. role of the controlled person. method and means of controlling the person or connected persons

a. In the group, individual companies have subsequently divided the following roles:

i. MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED - company owner, defini tion ofthe scope ofthe object of the activity

ii. TC INTER-INFORMATICS a.s. - provision of services to the defined extent

b. All relations between 1 April 2020 and 31 March 2021 were managed and implemented in accordance with the set processes in the group. No specific operations have been car ried out which would have been atypical.

6. **Overview of mutual contracts concluded with the control in entity and related persons:**

   a. In the period from 1 April 2020 to 31 March 2021, no other contracts were concluded be tween the controlled entity and the controlling entity, which dealt with business relations according to the regular rules in force in the group.

   b. The volumes of mutual relations and balances of receivables and liabilities as of 31 March 2021are shown in the financial statements of TC INTER-INFORMATICS a.s.

   c. List of concluded contracts:

      i. The financial loan agreement of 12 September 2018 between MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED and TC INTER-INFORMATICS a.s.

      ii. The financial loan agreement of 12 September 2018 between MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED and Inter-Informatics, spol. s r.o., as dissolving company as a result of the merger, the surviving company of which became the company TC INTER-INFORMATICS a.s. on March 1, 2021

7, **Assessment of the in jury suffered by the controlled person and its compensation**

   a. Due to the nature of the business and the relevant contracts concluded, in our opinion there was no harm done to the controlled entity.

8. **Assessment of the advant ages and disad vantages of relations with the cont rolling entitv and re lated persons. including possible risks**

   a. Relations with the controlling entity take place under standard conditions that are advantageous for both individual companies.

9. **Confidentiality of Information**

   a. Confidential information that can't be made publicly available is considered to be information and facts that are part of the business secrets of the Controlling Entity, the Con trolled Entity and the Connected Persons, as well as information that has been disclosed as confidential to any of these persons. Furthermore, it is all information from the business dealings that could lead, on its own or in connection with other Information and facts, to the detriment of any of those persons.

10. **Conclusion**

   a. Board of Directors of TC INTER-INFORMATICS a.s. states that, with due managerial care, it has made the necessary efforts to Identify the circle of connected persons, in particular by questioning the controlling entity about the circle of persons controlled by that person.

   b. The Board of Directors of TC INTER-INFORMATICS a.s. considers that the pecuniary benefits or consideration, provided on the basis of the above specified relationships were provided in the usual amount.

   c. This report on refations was prepared by the statutory body of the controlled entity TC INTER-INFORMATICS a.s. on May 20, 2021.

Ing. Karel Kollert
Member of the Board of Directors
Place: Prague

INDEPENDENT AUDITOR'S REPORT

To the shareholders of TC INTER-INFORMATICS a.s.

Opinion

We have audited the accompanying financial statements of TC INTER-INFORMATICS a.s. (hereinafter also the "Company") prepared in accordance with accounting principles generally accepted in the Czech Republic, which is comprised of the balance sheet as at 31 March 2021, the income statement, statement of changes in equity and cash flow statement for the period from 1 April 2020 to 31 March 2021 and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information. For details of the Company, see the introductory part of the notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of TC INTER-INFORMATICS a.s. as at 31 March 2021, of its financial performance and its cash flows for the period from 1 April 2020 to 31 March 2021 in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw your attention to the point the Equity: "TC INTER-INFORMATICS a.s. reports as of 31 March 2021 negative equity in the amount of CZK -12,401 thousand (as of 1 April 2020: CZK - 5,000 thousand). The Parent company is preparing a capitalisation of a part of provided loan in amount of EUR 1,000 thousand (CZK 26,245 thousand) to increase equity funds. The financial statements have been prepared under going concern assumption." Our opinion is not modified with regard to this matter.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with law and regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law and regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory bodies for the Financial Statements

Statutory bodies are responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as Statutory bodies determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the above mentioned laws and regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory bodies.
- Conclude on the appropriateness of the Statutory bodies' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

We communicate with the statutory bodies 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.

In Prague, May 20, 2021.

Audit Firm:	Statutory Auditor:
HEDLEY AUDIT s.r.o.	Ing. Helena Vojackova
Audit Firm Licence No.545	Auditor Licence No.1910

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

TC INTER-INFORMATICS a.s.

BALANCE SHEET

full version

As of
31-03-2021
(in CZK thousand)

Kolčavka 3/75,
190 00 Praha 9

		31-03-2021			01-04-2020
		Gross	**Adjustment**	**Net**	**Net**
	TOTAL ASSETS	**427,383**	**325,607**	**101,776**	**106,199**
B.	**Fixed assets**	**324,694**	**323,900**	**794**	**1,417**
B.I.	**Intangible fixed assets**	**311,665**	**311,263**	**402**	**751**
B.I.2.	Valuable rights	308,521	308,119	402	751
B.I.2.1.	Software	308,521	308,119	402	751
B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets under construction	**3,144**	**3,144**		
B.I.5.2.	Intangible fixed assets under construction	3,144	3,144		
B.II.	**Tangible fixed assets**	**13,029**	**12,637**	**392**	**666**
B.II.1.	Land and structures	**219**	**219**		
B.II.1.2.	Structures	219	219		
B.II.2.	"Tangible movable assets and sets of tangible movable assets"	12,810	12,418	392	666
C.	**Current assets**	**99,923**	**1,707**	**98,216**	**102,625**
C.I.	**Inventories**	**25,631**		**25,631**	**15,374**
C.I.2.	Work in progress and semifinished goods	25,631		25,631	15,374
C.II.	**Receivables**	**41,490**	**1,707**	**39,783**	**54,015**
C.II.1.	Long-term receivables	**5**		**5**	**9**
C.II.1.5.	Receivables - other	5		5	9
C.II.1.5.2.	Long-term prepayments made	**5**		**5**	**9**
C.II.2.	**Short-term receivables**	**41,485**	**1,707**	**39,778**	**54,006**
C.II.2.1.	Trade receivables	27,287	1,707	25,580	39,420
C.II.2.4.	Receivables - other	**14,198**		**14,198**	**14,586**
C.II.2.4.3.	State - tax receivables	6,144		6,144	2,107
C.II.2.4.4.	Short-term prepayments made				9
C.II.2.4.5.	Estimated receivables	7,893		7,893	12,297
C.II.2.4.6.	Sundry receivables	161		161	173
C.IV.	**Cash**	**32,802**		**32,802**	**33,236**
C.IV.1.	Cash on hand	164		164	436
C.IV.2.	Cash at bank	32,638		32,638	32,800
D.	**Other assets**	**2,766**		**2,766**	**2,157**
D.1.	Deferred expenses	2,766		2,766	2,157

		31-03-2021	01-04-2020
	TOTAL LIABILITIES & EQUITY	**101,776**	**106,199**
A.	**Equity**	**-12,401**	**-4,000**
A.I.	**Share capital**	**25,500**	**25,500**
A.I.1.	Share capital	25,500	25,500
A.II.	**Share premium and capital funds**	**129,977**	**119,752**
A.II.2.	Capital funds	129,977	119,752
A.II.2.1.	Other capital funds	129,977	129,977
A.II.2.2.	**Gains or losses from the revaluation of assets and liabilities (+/-)**		**-10,225**
A.III.	Funds from profit	100	100
A.III.1.	Other reserve funds	100	100
A.IV.	**Retained earnings (+/-)**	**-149,352**	**-149,352**
A.IV.1.	Accumulated profits or losses brought forward (+/-)	-39,726	-39,726
A.IV.2.	Other profit or loss from prior years (+/-)	-109,626	-109,626
A.V.	**Profit or loss for the current period (+/-)**	**-18,626**	
B.+C.	**Liabilities**	**114,177**	**110,199**
B.	**Reserves**	**9,971**	**15,381**
B.IV.	Other reserves	9,971	15,381
C.	**Payables**	**104,206**	**94,818**
C.II.	**Short-term payables**	**104,206**	**94,818**
C.II.3.	Short-term prepayments received	37,164	17,684
C.II.4.	Trade payables	4,289	4,863
C.II.6.	Payables - controlled or controlling entity	52,290	54,740
C.II.8.	Other payables	**10,463**	**17,531**
C.II.8.3.	Payables to employees	5,097	5,596
C.II.8.4.	Social security and health insurance payables	2,430	3,055
C.II.8.5.	State - tax payables and subsidies		1,862
C.II.8.6.	Estimated payables	2,936	7,018

TC INTER-INFORMATICS a.s.

PROFIT AND LOSS ACCOUNT

structured by the nature of expense method

Year ended Kolčavka 3/75,

31-03-2021 190 00 Praha 9

(in CZK thousand)

		Period from 1.4.2020	Year ended
I.	Sales of products and services	**106,563**	
A.	Purchased consumables and services	35,205	
A.2.	Consumed material and energy	375	
A.3.	Services	34,830	
B.	Change in internally produced inventory (+/-)	-10,257	
D.	Staff costs	**100,089**	
D.1.	Payroll costs	75,434	
D.2.	Social security and health insurance costs and other charges	**24,655**	
D.2.1.	Social security and health insurance costs	24,682	
D.2.2.	Other charges	-27	
E.	Adjustments to values in operating activities	**281**	
E.1.	Adjustments to values of intangible and tangible fixed assets	**802**	
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	806	
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	-4	
E.3.	Adjustments to values of receivables	-521	
III.	Other operating income	**6,946**	
III.3.	Sundry operating income	6,946	
F.	Other operating expenses	**-3,487**	
F.3.	Taxes and charges	293	
F.4.	Reserves relating to operating activities and complex deferred expenses	-5,410	
F.5.	Sundry operating expenses	1,630	
*	**Operating profit or loss (+/-)**	**-8,322**	
J.	Interest expenses and similar expenses	**531**	
J.1.	Interest expenses and similar expenses - controlled or controlling entity	531	
VII.	Other financial income	8,894	
K.	Other financial expenses	18,667	
*	**Financial profit or loss (+/-)**	**-10,304**	
**	**Profit or loss before tax (+/-)**	**-18,626**	
**	**Profit or loss net of tax (+/-)**	**-18,626**	
***	**Profit or loss for the current period (+/-)**	**-18,626**	
*	**Net turnover for the current period**	**122,403**	

STATEMENT OF CHANGES IN EQUITY

Skupina Inter-Informatics

Period ended
31-03-2021
(in CZK thousand)

Kolčavka 3/75,
190 00 Praha 9

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 1 April 2020	**25,500**	**129,977**	**100**	**-113,102**	**-76,831**	**-34,356**
Distribution of profit or loss				-76,831	76,831	
Profit or loss for the current period					3,747	3,747
Balance at 31 March 2021	**25,500**	**129,977**	**100**	**-189,933**	**3,747**	**-30,609**

TC INTER-INFORMATICS a.s.

CASH FLOW STATEMENT

Year ended Kolčavka 3/75,

31-03-2021 190 00 Praha 9

(in CZK thousand)

		Period from 1.4.2020	Year ended
P.	**Opening balance of cash and cash equivalents**	**33,236**	
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	-18,626	
A.1.	Adjustments for non-cash transactions	3,262	
A.1.1.	Depreciation of fixed assets	806	
A.1.2.	Change in provisions and reserves	-5,935	
A.1.3.	Profit/(loss) on the sale of fixed assets	10,225	
A.1.5.	Interest expense and interest income	531	
A.1.6.	Adjustments for other non-cash transactions	-2,365	
A.*	**Net operating cash flow before changes in working capital**	**-15,364**	
A.2.	Change in working capital	15,725	
A.2.1.	Change in operating receivables and other assets	14,144	
A.2.2.	Change in operating payables and other liabilities	11,838	
A.2.3.	Change in inventories	-10,257	
A.**	**Net cash flow from operations before tax**	**361**	
A.3.	Interest paid	-616	
A.***	**Net operating cash flows**	**-255**	
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	-179	
B.***	**Net investment cash flows**	**-179**	
	Cash flow from financial activities		
C.***	**Net financial cash flows**		
F.	**Net increase or decrease in cash and cash equivalents**	**-434**	
R.	**Closing balance of cash and cash equivalents**	**32,802**	

1. DESCRIPTION OF THE COMPANY

TC INTER-INFORMATICS a.s. is a joint stock company seated at Kolčavka 3/75, 190 00 Praha 9,

Czech Republic, identification number 270 70 115. The Company was incorporated following its registration in the Register of Companies held by the Court in Prague on 23 June 2003, section B, part 8494.

The principal activities of the Company are production, trade and services not stated in

Annexes 1 to 3 in Entrepreneurs Act.

These financial statements are prepared as individual financial statements.

The company complies with the Commercial Act in its entirety.

There are no agreements between shareholders stipulating control without respect to the share on share capital.

There is no profit transfer agreement either agreement to perform control.

These financial statements are presented in thousands of Czech crowns (CZK ‘000), unless stated otherwise.

The following table shows individuals and legal entities with an equity interest greater than 20 percent and the amount of their equity interest:

Shareholder	% on share capital
MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED	100 %
Total	**100 %**

Changes and amendments made in the period from 1 April 2020 to 31 March 2021 at the Register of Companies:

The company is the successor company to the merger with the merging company Inter-Informatics, spol. s r.o. The decisive date of the merger is 1 April 2020. The opening balance sheet has been prepared as of this date. The data from this opening balance sheet are comparable data in the company’s balance sheet. The income statement for the current accounting period contains the income and expenses of both participating companies. For this reason, the data on income and expenses of the successor company for the previous accounting period are not comparable and are therefore not reported in the column “previous accounting period” in the profit and loss statement. For a similar reason, the notes to the financial statements do not contain comparable data for the previous accounting period.

The sole shareholder of the successor company before the decisive date was the merging company. MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED has been the sole shareholder since March 1, 2021, when the merger was registered in the Commercial Register.

Board of Directors and Supervisory Board at 31 March 2021

	Function	Name
Board of Directors	Chairman	Belavadi Krishna Rao Sathisha
	Member	Venkateswara Rao Gajjala
	Member	Karel Kollert

Rajesh Ethakur Plakkote was removed from the position of a member of the Board of Directors on February 24, 2021. His position was deleted in the Commercial Register on March 23, 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company’s accounting books and records are maintained and the financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended; the Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

Financial statements are prepared as of 31 March 2021 and for the period from 1 April 2020 to 31 March 2021 (hereinafter “year 2020”).

3. ACCOUNTING PRINCIPLES AND POLICIES AND THEIR CHANGES

The company used the following measurement basis during preparation of financial statements for 2020:

a) Intangible fixed assets

Intangible fixed assets are measured at costs that include cost of purchase and other costs associated with the acquisition.

Internally generated intangibles are measured at internal costs incurred.

Intangibles with cost exceeding CZK 60 thousand in 2020 are amortized to expenses.

Method of amortization - the company amortizes intangibles in accordance with Income Tax Act.

Capital expenditure increases the cost of intangible assets. Repairs and maintenance expenditure is expensed when incurred.

Provisioning

Provisions were made against impaired/obsolete intangible fixed assets based on the results of the inventory taking, to the extent that the valuation temporarily does not correspond with the actual balance.

b) Tangible fixed assets

Tangible fixed assets are measured at costs that include cost of purchase and other costs associated with the acquisition.

Tangibles with cost exceeding CZK 20 thousand in 2020 are depreciated.

Method of depreciation – the company depreciates tangibles in accordance with Income Tax Act.

Capital expenditure increases the cost of tangible assets. Repairs and maintenance expenditure is expensed when incurred.

c) Cash

Cash consists of stamps, cash in hand and cash at bank. Cash is measured at nominal value.

d) Inventory

Inventory is accounted for under method B.

Work is measured at costs incurred. Costs incurred are measured at actual costs determined by the entity. Costs incurred include direct costs and may include also attributable indirect costs related to the period.

e) Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts. Receivables acquired for consideration or as an investment to the equity are stated at cost less provisions for doubtful and uncollectible amounts.

The Company recognizes provisions for receivables based on ageing analysis and individual assessment.

Estimated receivables are measured based on best professional estimates and judgements.

f) Equity

Share capital is recognized in the amount registered at the Commercial Register of the City Court of Prague. Contributions exceeding share capital are recognized as other capital funds. They consist of monetary contributions exceeding the amount of share capital.

The company can create other capital funds based on the resolution of annual meeting.

g) Liabilities

Long-term and current liabilities are measured at nominal values.

Estimated liabilities are measured based on best professional estimates and judgements.

h) Reserves

Reserves to cover liabilities and expenditure the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred as of the balance sheet date but uncertain as to their amount or as to the date on which they will arise.

The company creates reserves for known risks for which a future probable liability is assumed, in particular a restructuring reserve, a reserve for outstanding vacation days and anniversaries, a reserve for repairs under warranty.

i) Leasing

Lease repayments are expensed as incurred. The initial lump-sum payment related to leases is amortised and expensed over the lease period.

j) Foreign currency translation

Assets and liabilities acquired for foreign currency are measured at Czech crowns at an exchange rate ruling at the date of the transaction. Monetary items were translated as of the balance sheet using Czech National Bank exchange rates.

All exchange gains and losses are recognized as financial income or financial expenses in the income statement.

k) Accounting for revenue and expenses

Revenue and expenses are recognized on an accrual basis in the period to which they relate.

l) Income tax

Tax expense is calculated using the actual tax rate and accounting profit increased or decreased by temporarily or permanently non-deductible expenses and non-taxable income. Further the tax base is adjusted for gifts, other items like tax losses, research and development incentives and tax reliefs.

Deferred tax represents tax impact of temporary differences between carrying amounts of assets and liabilities and their tax bases taking into account the moment of realization. In accordance with the prudence principle the entity does not recognize deferred tax assets.

m) Subsequent events

The impact of events occurring between the balance sheet date and the date of preparation of financial statements is recognized if these events provided additional information about transactions existing at balance sheet date.

The impact of significant events occurring between the balance sheet date and the date of preparation of financial statements is disclosed in the notes to the financial statements if these events relate to transactions occurring after the balance sheet date.

4. Fixed assets

a) Intangible non-current assets (CZK thousand)

COST

	Balance b/f 1 April 2020	Additions	Disposals	Transfers	Balance c/f 31 March 2021
Software	308 521	-	-	-	308 521
Assets under course of constructions	3 144	-	-	-	3 144
Total	**311 665**	**-**	**-**	**-**	**311 665**

Accumulated depreciation and provisions

	Balance b/f 1 April 2020	Additions	Disposals	Transfers	Balance c/f 31 March 2021
Software	307 770	349	-	-	308 119
Assets under course of constructions	3 144	-	-	-	3 144
Total	**310 914**	**349**	**-**	**-**	**311 263**

Carrying amount

	At 1 April 2020	At 31 March 2021
Software	751	402
Assets under course of construction	-	-
Total	**751**	**402**

b) Tangible non-current assets (CZK thousand)

COST

	Balance b/f 1 April 2020	Additions	Disposals	Transfers	Balance c/f 31 March 2021
Land and buildings	219				219
Plant and equipment	13 689	179	-1 058		12 810
Total	**13 908**	**179**	**-1 058**		**13 029**

Accumulated depreciation and provisions

	Balance b/f 1 April 2020	Additions	Disposals	Transfers	Balance c/f 31 March 2021
Land and buildings	219	4	-	-4	219
Plant and equipment	13 023	453	-1 058	-	12 418
Total	**13 242**	**457**	**-1 058**	**-4**	**12 637**

Carrying amount

	At 1 April 2020	At 31 March 2021
Land and buildings	0	0
Plant and equipment	666	392
Total	**666**	**392**

Total cost of tangibles not recognized in balance amounted to: At 31 March 2021: CZK 6 thousand (at 1 April 2020: CZK 9 thousand)..

5. Inventory

The company recognized own products at 31 March 2021 in the amount of CZK 25,631 thousand (at 1 April 2020: CZK 15,374 thousand).

6. Receivables

Overdue receivables (CZK thousand)

	At 31 March 2021	At 31 March 2020
Up to 30 days overdue	9 373	18 769
Up to 60 days overdue	2 475	935
Up to 90 days overdue	163	18
Up to 365 days overdue	-	1 934
Over 365 days overdue	4 510	-
Total overdue receivables	**16 521**	**21 656**

Provision for bad debts (CZK thousand):

As of 1 April 2020	2 228
Release of provisions	-521
As of 31 March 2021	1 707

There are no receivables more due in more than 5 years.

Estimated receivables consist mainly of expected refund of German VAT, unbilled services.

7. Prepayments

Prepayments include mostly rent of licences, rent of hardware, training. They are expensed in a period they relate to.

8. Equity

Share capital consists of 51 shares fully paid up with a nominal value of CZK 500,000 each. Other capital funds in the amount of CZK 129,977 thousand as of 31 March 2021 represent contributions beside share capital (as of 1 April 2020: CZK 129,977 thousand).

The Company reports as of 31 March 2021 negative equity in the amount of CZK -12,401 thousand (as of 1 April 2020: CZK - 5,000 thousand). The Parent company is preparing a capitalisation of a part of provided loan in amount of EUR 1,000 thousand (CZK 26,245 thousand) to increase equity funds. The financial statements have been prepared under going concern assumption.

As at the date of the consolidated financial statements, ie as at 31 March 2020, the Group has a negative equity of CZK 3,040 thousand. The Group, in cooperation with its shareholder, plans to resolve this fact by increasing its capital funds. The consolidated financial statements have been therefore prepared under going concern assumption.

9. Provisions

	Balance b/f 1 April 2020	Additions	Release	Balance c/f 31 March 2020
Restructuralization	7 855	163	-3 322	4 696
Unused vacation	4 079	2 749	-3 604	3 224
Other employee benefits	388	268	-388	268
Reserve for repairs under warranty	3 058	-	-1 275	1 783
Total	**15 380**	**3 180**	**-8 589**	**9 971**

10. LIABILITIES

The Company has no liabilities due in more than 5 years.

Long-term liabilities at 31 March 2021 amount to CZK 0 thousand (at 1 April 2020: CZK 0 thousand). Current liabilities at 31 March 2021 amount to CZK 104,206 thousand, including trade payables of CZK 4,289 thousand (at 1 April 2020: CZK 94,818 thousand, including trade payables of CZK 4,863 thousand).

Accruals represent mainly subcontracts and services provided in 2020.

Related party liabilities are presented in note 15.

11. INCOME TAX

Analysis of deferred tax asset:

- difference between carrying amount and tax base of non-current assets: CZK 636 thousand
- provisions related to non-current assets: CZK 324 thousand
- provisions: CZK 1,895 thousand
- unused tax losses: CZK 12,816 thousand

Deferred tax asset amounts to CZK 15,671 thousand. The company does not recognize the deferred tax asset in accordance with the principle of prudence.

12. REVENUE

Revenue from sale of services (CZK thousand)

Domestic sales:	73,687
EU sales:	27,369
Third countries:	5,507
Total:	106,563

Other operating revenues represent mainly subsidies received in relation to the COVID-19 pandemic.

13. Staff costs

Analysis of staff costs (in CZK thousand):

	Total	**Including: Board of directors**
Average number of employees	125	3
Salaries	75 434	3 821
Social contribution and health insurance	24 682	1 415
Other	-27	0
Total staff costs	**100 089**	**5 236**

In 2020 no remuneration was paid to members of the management, control or administrative body by virtue of their function.

During 2020 no advances, payments, loans or credits were provided to the members of the management, control or administrative body by virtue of their function. During 2020, no pension liabilities arose for current or former members of the governing body.

14. Financial revenues and expenses

Other financial revenues mainly include foreign exchange gains. In addition to exchange rate losses, other financial expenses also include costs in the amount of the acquisition price of the liquidated subsidiary in Romania (CZK 10,225 thousand).

15. Related parties

Receivables and liabilities (CZK thousand):

Receivables	**Balance at 1 April 2020**	**Balance at 31 March 2021**
MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED	0	0
Tech Mahindra Limited	9 079	4 166
Total	**9 079**	**4 166**
Liabilities		
MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED	54 740	52 290
Tech Mahindra Limited	3 227	2 499
Total	**57 967**	**54 789**

Revenues and expenses (CZK thousand)

	Revenue	Expenses
Tech Mahindra Limited	3 204	421
MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED	0	531
Total	**3 204**	**952**

16. Going concern assumption

The financial statements as of 31 March 2021 have been prepared under going concern assumption.

17. Significant events after balance sheet date

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

18. Statement of changes in equity

	Share capital	Other capital funds	Revaluation fund	Reserve fund	Retained earnings	Total
Balance b/f 1 April 2020	**25 500**	**129 977**	**-10 225**	**100**	**-149 352**	**-4 000**
Liquidation of the controlled company	-	-	10 225	-	-	10 225
Net income for the current period	-	-	-	-	-18 626	-18 626
Balance c/f 31 March 2021	**25 500**	**129 977**	**-**	**100**	**-167 978**	**-12 401**

Date: May 20, 2021

Name and signature,

statutory body of the company Ing. Karel Kollert,

Board member
Place: Prague

TECH MAHINDRA COMMUNICATIONS JAPAN CO. LTD

Board of Directors
Mr. Masato Kawano
Mr. Amitava Ghosh
Ms. Dhanashree Bhat

Registered Office
6-18, Kamiji 1-Chome,
Higashinari-ku, Osaka

Bankers
Mitsui sumitomo
Kansai Mirai Bank
Osaka City Bank
Amagasaki Shinkin Bank
Citibank Tokyo Branch

Auditors
RSM Seiwa Syosankan
4F Shosankan Building,
1 Chome−3−2 ,Iidabashi,
Chiyoda-ku, Tokyo

Balance Sheet as at year ended	31-Mar-21	31-Mar-20
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	4,093,382	58,69,986
(b) Financial Assets		
(i) Investments	-	-
(c) Other Non-Current Assets	2,267,555	1,884,555
Current Assets		
(a) Financial Assets		
(i) Trade Receivables	166,891,034	349,547,440
(ii) Cash and Cash Equivalents	459,721,251	80,698,618
(b) Other Current Assets	371,500	3,537,651
Total Assets	**633,344,722**	**441,538,250**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	43,000,000	43,000,000
(b) Retained Earnings	162,693857	4,836,627
Total Equity	**205,693,857**	**47,836,627**
Non-Current Liabilities		
(a) Financial Liabilities - Borrowings	100,000,000	118,387,000
(b) Other Non-Current Liabilities	-	-
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	9,600,000
(ii) Trade Payables	196,975,811	254,574,229
(iii) Statutory Liabilities	128,671,500	9,602,900
(b) Other Current Liabilities	2,003,554	1,537,494
Total Equity and Liabilities	**633,344,722**	**441,538,250**

Signature

Mastao Kawano (Director)

Place : Tokyo

Date : 18 June 2021

TECH MAHINDRA COMMUNICATIONS JAPAN CO. LTD

Statement of Profit and Loss for the period ended		31-Mar-21
I	Revenue from Operations	1,914,839,284
II	Other Income	1,852,632
III	**Total Revenue (I +II)**	**1,916,691,916**
IV	**EXPENSES**	
	Employee Benefit Expense	83,664,595
	Subcontracting Expenses	1,502,669,699
	Finance Costs	1,920,079
	Depreciation and Amortization Expense	1,776,592
	Other Expenses	67,976,559
	Forex Gain	(158,538)
	Total Expenses	**1,657,848,986**
V	**Share of (Profit) / Loss of Associates**	-
VI	**Profit/(loss) before Exceptional Item and Tax (III-IV-V)**	**258,842,930**
VII	**Exceptional Item (net)**	
VIII	**Profit/(loss) Before Tax (VI+VII)**	**258,842,930**
IX	**Tax Expense**	
	Current tax	100,985,700
	MAT charge / (credit)	
	Earlier years excess provision written back	
	Deferred Tax	
	Total Tax Expense	**100,985,700-**
X	**Profit/(loss) after Tax**	**157,857,230**

Signature

Mastao Kawano (Director)

Place : Tokyo

Date : 18 June 2021

NOTES TO FINANCIAL STATEMENT.

NOTE 1 - DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

Tech Mahindra Communications Japan Co. Ltd ("TMCJ" or "the Company") incorporated in Japan in 2006 under the name K Vision. On March 14, 2019, Tech Mahindra Limited ("Tech Mahindra"), incorporated in India, through its subsidiary, Mahindra Engineering Services (Europe) Limited, incorporated in the United Kingdom, completed the acquisition of the shares of the Company.

The Company is supplying all the elements required for the establishment and deployment of communication networks and provides related construction services in Japan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in Japan ("JGAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and cash equivalents:

Cash and cash equivalents consist of certain highly liquid investments with maturities of three months or less at the date of purchase and consist of money market funds.

Trade receivables:

The Company believes that the concentration of credit risk in its trade receivables is mitigated by the Company's credit evaluation process, relatively short collection terms, and dispersion of its customer base. Management evaluates the collectability of trade receivables based on a combination of factors. Management regularly analyzes significant customers accounts, and, when management becomes aware of a specific customer's inability to meet its financial obligations, such as in the case of bankruptcy filings or deterioration in the customer's operating results or financial position, a specific reserve for bad debts is recorded to reduce the related receivable to the amount management reasonably believes is collectible. Reserves for doubtful accounts for all other customers are also recorded based on a variety of factors including the length of time the receivables are past due, the financial health of the customer, macroeconomic considerations, and historical experience. If circumstances related to specific customer change, estimates of the recoverability of receivables could be further adjusted or the related receivables could be written off to the allowance as uncollectible. The Company has not experienced significant losses on trade receivables from any particular customer or geographic region.

Property and equipment:

Property and equipment are stated at cost and are being depreciated using straight-line and accelerated methods over the estimated useful lives of the related assets.

Fair value of financial instruments:

The fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and other short-term liabilities approximate the carrying value due to their short-term, highly liquid nature. The carrying amounts of long-term debt approximate fair value, based on interest rates currently available for similar terms and maturities.

Income taxes:

Deferred income tax assets and liabilities are recognized on the differences between the financial statement and tax basis of assets and liabilities and on net operating loss carryovers using enacted tax rates. A valuation allowance is provided to offset deferred income tax assets if, based on available evidence, it is more likely than not that a portion of the deferred income tax assets will not be realized.

Accounting Principles

Cash accounting is being followed as per standard accounting practices followed in Japan. Last year Balance sheet figures has been recasted accordingly.

THE BIO AGENCY LIMITED

Board of Directors
Mr. Vikram Nair
Mr. Vivek Agarwal

Company number
05787984

Registered Office
90-92 Pentonville Road
London
N1 9HS

Independent auditor
Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

As an award-winning digital agency, the last financial year saw the business to continue consolidate and focus on re-building its income.

Despite the pandemic revenue only fell by £224k. Cost saving controls were put in place early on in the year to ensure the business remained a going concern. In addition, the business utilised Coronavirus Job Retention Scheme.

With this in mind, BIO has continued to develop revenue pillars to drive the business forward over the next few years. North America continues to operate as a prominent business hub in order to capitalise on Tech Mahindra clients within the region.

As part of the Tech Mahindra Group, the company has also continued to invest in joint initiatives with the other Tech Mahindra Group companies. The company has also continued to invest in the infrastructure of the business in order to support the business plan to accelerate growth in the future.

The agency continues to work with blue chip clients including: Smith & Nephew, Scotia Bank, Verizon, IWG. The work undertaken being both local as well as global engagements.

Principal risks and uncertainties

Rate cards can present a challenge when competing for business. The offshore function of BIO, set up in conjunction with the wider Tech Mahindra Group, continues to be utilised to remain competitive.

Employees

The company continues to foster an open culture with its staff and works hard to keep everyone informed on company plans. Monthly staff meetings are held to keep everyone updated on progress and regular social activities are organised to ensure that as the business grows, the culture is still maintained which is an important facet of the agencies ongoing success. Regular anonymous staff surveys are completed in order for everyone to give honest feedback and to continue to improve how the agency operates as a business.

Key performance indicators

The business is managed by monitoring its key performance indicators which span across each facet of the business covering financials, new business conversion, clients and retention, employee engagement and its marketing strategy. These KPI’s are tracked on a quarterly basis to ensure the agency is performing consistently across all pillars of the business.

Covid-19

The company continues to monitor the possible effects that may result from Covid-19, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established. In addition to this, the parent company has expressed its intention to continue to support the business for at least 12 months following the approval of these financial statements.

As a result of this assessment, the directors consider it reasonable to continue to adopt the going concern basis of accounting for the preparation of these financial statements.

Future developments

As part of an overall strategy of entity consolidation, there are preliminary plans underway to transfer the BIO business on a going concern basis to another entity (Born London Ltd) within the Tech Mahindra Group in 2021. BIO will continue to operate as a standalone brand and managed as a separate business unit and it will not impact the day to day business operations.

On behalf of the board

Vivek Agarwal
Director

Date: June 28, 2021
Place: London

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company is that of provision of strategic, creative and technical consultancy and delivery to create digitial business change for premium brand clients.

Results and dividends

The results for the year are set out on page 633.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Vikram Nair	
Peter Veash	(Resigned 16 October 2020)
Vivek Agarwal	

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters covered in the strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

On behalf of the board

Vivek Agarwal
Director

Date: June 28, 2021
Place: London

INDEPENDENT AUDITOR'S REPORT

To the members of The BIO Agency Limited

Opinion

We have audited the financial statements of The BIO Agency Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed..

Lorenzo Mosca (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: June 28, 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		Year ended 31 March 2021 £	Year ended 31 March 2020 £
Turnover	3	**4,212,359**	**4,435,981**
Cost of sales		(581,573)	(369,794)
Gross profit		**3,630,786**	**4,066,187**
Administrative expenses		(5,846,661)	(7,217,372)
Other operating income		87,271	-
Operating loss	4	**(2,128,604)**	**(3,151,185)**
Interest receivable and similar income	6	284	11,951
Interest payable and similar expenses	7	(14,271)	1,080
Loss before taxation		**(2,142,591)**	**(3,138,154)**
Tax on loss	8	403,897	244,456
Loss for the financial year		**(1,738,694)**	**(2,893,698)**

The income statement has been prepared on the basis that all operations are continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	9		55,776		652,325
Current assets					
Debtors	10	4,917,129		8,383,905	
Cash at bank and in hand		1,864,062		336,017	
		6,781,191		**8,719,922**	
Creditors: amounts falling due within one year	11	(1,998,113)		(2,793,928)	
Net current assets			**4,783,078**		**5,925,994**
Total assets less current liabilities			**4,838,854**		**6,578,319**
Provisions for liabilities					**(27,356)**
Deferred tax liability	12	**26,585**		**27,356**	
Net assets			**4,812,269**		**6,550,963**
Capital and reserves					
Called up share capital	14		600		600
Other reserves			45,423		45,423
Profit and loss reserves			4,766,246		6,504,940
Total equity			**4,812,269**		**6,550,963**

The financial statements were approved by the board of directors and authorised for issue on June 28, 2021 and are signed on its behalf by:

Vivek Agarwal

Director

Place: London

Company Registration No. 05787984

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2019	**600**	**45,423**	**9,398,638**	**9,444,661**
Period ended 31 March 2020:				
Loss and total comprehensive income for the period	-	-	(2,893,698)	(2,893,698)
Balance at 31 March 2020	**600**	**45,423**	**6,504,940**	**6,550,963**
Period ended 31 March 2020:				
Loss and total comprehensive income for the period	-	-	(1,738,694)	(1,738,694)
Balance at 31 March 2021	**600**	**45,423**	**4,766,246**	**4,812,269**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£`	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		1,589,831		(2,836,042)
Interest paid			(14,271)		-
Income taxes refunded			705,173		97,169
Net cash inflow/(outflow) from operating activities			**2,280,733**		**(2,738,873)**
Investing activities					
Purchase of tangible fixed assets		(3,731)		(22,053)	
Proceeds on disposal of tangible fixed assets		759		2,485	
Interest received		284		11,951	
Net cash used in investing activities			**(2,688)**		**(7,617)**
Financing activities					
Proceeds from borrowings		-		750,000	
Repayment of borrowings		(750,000)		-	
Net cash generated from/(used in) financing activities			**(750,000)**		**750,000**
Net increase/(decrease) in cash and cash equivalents			**1,528,045**		**(1,996,490)**
Cash and cash equivalents at beginning of year			336,017		2,332,507
Cash and cash equivalents at end of year			**1,864,062**		**336,017**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

The BIO Agency Limited is a private company limited by shares incorporated in England and Wales. The registered office is 90-92 Pentonville Road, London, N1 9HS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Change in accounting estimate

During the year, the estimated useful economic life for the leasehold improvement assets was revised to reflect the intention for the company to move premises post year end ahead of the end of the lease. As a result, the assets have been fully depreciated as at 31 March 2021.

1.3 Going concern

The company continues to monitor the possible effects that may result Covid-19 on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established. In addition to this, the parent company has expressed its intention to continue to support the business for at least 12 months following the approval of these financial statements.

As a result of this assessment, the directors consider it reasonable to continue to adopt the going concern basis of accounting for the preparation of these financial statements.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised on an accrual basis when goods and services are provided to a customer in relation to a contract.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold   10 years on a straight line basis

Leasehold improvements   1 year on a straight line basis

Fixtures, fittings & equipment   4 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The estimated useful economic lives of leasehold improvement assets have been adjusted for the year ended 31 March 2021 to one year. This is to reflect the companies intention to terminate the lease post year end therefore the assets are considered to be fully depreciated.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company’s statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Deferred tax asset

As at the year end, there were deferred tax assets arising from capital allowances. Due to the uncertainty as to when sufficient profit will be made in order to utilise these losses, no deferred tax asset has been recognised at the year end in respect of tax losses carried forward.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Other significant revenue		
Interest income	284	11,951
Grants received	87,271	-

Turnover analysed by geographical market

	2021	2020
	£	£
United Kingdom	3,623,018	3,105,161
USA	-	32,601
Canada	589,341	1,239,177
Europe	-	59,042
	4,212,359	**4,435,981**

Grants received relate to the Government furlough scheme. No conditions or contingencies are attached to the government grant and amounts do not require to be repaid.

4 Operating loss

	2021	2020
	£	£
Operating loss for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	13,332	(68,239)
Government grants	(87,271)	-
Fees payable to the company's auditor for the audit of the company's financial statements	26,000	26,000
Depreciation of owned tangible fixed assets	599,551	160,772
Profit on disposal of tangible fixed assets	(30)	(1,178)
Operating lease charges	212,493	694,970

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Average monthly number of employees	26	32

Their aggregate remuneration comprised:		
Wages and salaries	1,966,099	2,492,140
Social security costs	212,358	357,010
Pension costs	57,730	82,187
	2,236,187	**2,931,337**

6 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	284	11,951
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	284	11,951

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	14,271	-
Other finance costs:		
Other interest	-	(1,080)
	14,271	**(1,080)**

8 Taxation

	2021	2020
	£	£
Current tax		
Adjustments in resect of prior periods for reserach and development tax credits	(403,897)	(272,389)
Deferred tax		
Origination and reversal of timing differences	-	27,933
Total tax charge	**(403,897)**	**(244,456)**

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(2,142,591)	(3,138,154)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(407,092)	(596,249)
Tax effect of expenses that are not deductible in determining taxable profit	5,609	14,550
Tax effect of utilisation of tax losses not previously recognised	48,497	-
Unutilised tax losses carried forward	-	576,289
Change in unrecognised deferred tax assets	53,521	-
Group relief	296,648	-
Depreciation on assets not qualifying for tax allowances	-	4,359
Research and development tax credit	(452,394)	(272,389)
Other non-reversing timing differences	-	1,051
Fixed asset diferences	51,314	-
Deferred tax movement	-	27,933
Tax expense for the period	(403,897)	(244,456)

9 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2020	**732,953**	**649,706**	**1,382,659**
Additions	-	3,731	3,731
Disposals	-	(3,689)	(3,689)
At 31 March 2021	**732,953**	**649,748**	**1,382,701**
Depreciation and impairment			
At 1 April 2020	**194,830**	**535,504**	**730,334**
Depreciation charged in the year	538,123	61,428	599,551
Eliminated in respect of disposals	-	(2,960)	(2,960)
At 31 March 2021	**732,953**	**593,972**	**1,326,925**
Carrying amount			
At 31 March 2021	**-**	**55,776**	**55,776**
At 31 March 2020	**538,123**	**114,202**	**652,325**

Capitalised website development costs have been fully depreciated during the year and are included within Fixtures, fittings & equipment.

During the year, the estimated useful economic life for the leasehold improvement assets was revised to reflect the intention for the company to move premises post year end ahead of the end of the lease. As a result, the assets have been fully depreciated as at 31 March 2021.

10 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	479,384	277,460
Corporation tax recoverable	125,000	426,276
Amount due from parent undertaking	-	746,400
Other debtors	3,042,227	544,416
Prepayments and accrued income	1,270,518	6,388,582
	4,917,129	**8,383,134**
Amounts falling due after one year:		
Deferred tax asset (note 12)	-	771
Total debtors	**4,917,129**	**8,383,905**

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	518,291	456,908
Amounts owed to group undertakings	99,779	1,100,700
Taxation and social security	1,104,625	134,830
Other creditors	18,638	37,804
Accruals and deferred income	256,780	1,063,686
	1,998,113	**2,793,928**

12 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities		Assets	
	2021	2020	2021	2020
	£	£	£	£
Balances:				
Accelerated capital allowances	26,585	27,356	-	-
Short term timing differences as a result of provisions	-	-	-	771
	26,585	**27,356**	**-**	**771**

There were no deferred tax movements in the year.

13 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	57,730	82,187

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share capital

Ordinary share capital Issued and fully paid

	2021	2020	2021	2020
	£	£	£	£
A Ordinary Shares of 0.5p each	102,000	102,000	510	510
B Ordinary Shares of 0.5p each	18,000	18,000	90	90
	120,000	120,000	600	600

The Ordinary A shares have attached to them no voting or capital distribution (including on winding up) rights and carry no right to dividends except at the discretion of the Ordinary B shareholders. They do not confer any rights of redemption.

The Ordinary B shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

15 Operating lease commitments Lessee

Lessee

Operating lease payments represent rentals payable by the company for premises and equipment.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	114,480	857,012
Between two and five years	-	3,430,662
In over five years	-	1,884,511
	114,480	6,172,185

16 Events after the reporting date

Post year end, the company surrendered the current lease for the Wilson Street office. This resulted in a surrender premium of approximately £815,874 of which the majority was covered by the rent deposit held of £515,000. The company also incurred legal fees of £78,000.

As part of an overall strategy of entity consolidation, there are preliminary plans underway to transfer the BIO business on a going concern basis to another entity (Born London Ltd) within the Tech Mahindra Group in 2021. BIO will continue to operate as a standalone brand and managed as a separate business unit and it will not impact the day to day business operations.

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows:

	2021	2020
	£	£
Aggregate compensation	431,153	300,000

The amounts above are in relation to the highest paid director.

No guarantees have been given or received.

During the year, The BIO Agency Limited performed and billed for services to the value of £6,968,972 (2020: £2,360,762) for Tech Mahindra Limited, the controlling entity. At the year end, The BIO Agency Limited was owed £3 (2020: £746,400) by Tech Mahindra Limited in relation to billed services. At the year end the unbilled value of services provided to Tech Mahindra Limited is £220,225 (2020: £5,457,179) and is recorded as accrued income.

During the year, The BIO Agency Limited performed and billed for services to the value of £680,435 (2020: £nil) for Target Group Limited, an entity under common control. At the year end, The BIO Agency Limited was owed £214,355 (2020: £nil) by Target Group Limited.

During the year, The BIO Agency Limited incurred expenditure to the value of £99,779 (2020: £350,700) from Tech Mahindra Limited. At the year end £99,779 (2019: £350,700) is recorded as amounts due to parent undertaking. At the year end the unbilled value of expenditure provided by Tech Mahindra Limited on behalf the BIO Agency Limited is £66,000 (2020: £nil) and is recorded as accrued expenses.

During the year, The BIO Agency Limited paid £764,271 to Mahindra Engineering Services (Europe) Limited, an entity under common control in respect of previously made loan between two companies. This made up of a £750,000 repayment of the capital borrowed and £14,271 of interest. The loan was fully repaid prior to the year end.

During the year, The BIO Agency Limited was owed £2,500,000 by Mahindra Engineering Services (Europe) Limited, an entity under common control. This was in respect of a short-term loan provided which is interest bearing and repayable on demand.

18 Ultimate controlling party

The company is controlled by Tech Mahindra Limited, a listed company incorporated in India. Tech Mahindra's group accounts are available from their registered office at 63 Queen Victoria Street, London EC4N 4UA.

19 Cash absorbed by operations

	2021	2020
	£	£
Loss for the year after tax	(1,738,694)	(2,893,698)
Adjustments for:		
Taxation credited	(403,897)	(244,456)
Finance costs	14,271	(1,080)
Investment income	(284)	(11,951)
Gain on disposal of tangible fixed assets	(30)	(1,178)
Depreciation and impairment of tangible fixed assets	599,551	160,772
Movements in working capital:		
Decrease/(increase) in debtors	3,164,729	(555,555)
(Decrease)/increase in creditors	(45,815)	711,104
Cash generated from/(absorbed by) operations	1,589,831	(2,836,042)

20 Analysis of changes in net funds

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	336,017	1,528,045	1,864,062

Detailed trading and profit and loss account For the year ended 31 March 2021

	Year ended 31 March 2021		Period ended 31 March 2020	
	£	£	£	£
Turnover				
Sales		4,212,359		4,435,981
Cost of sales				
Direct costs	581,573		369,794	
		(581,573)		(369,794)
Gross profit		3,630,786		4,066,187
Other operating income				
Coronavirus job retention scheme grant		87,271		-
Administrative expenses		(5,846,661)		(7,217,372)
Operating loss		(2,128,604)		(3,151,185)

	Year ended 31 March 2021		Period ended 31 March 2020	
	£	£	£	£
Interest receivable and similar income				
Bank interest received	284		11,951	
		284		11,951
Interest payable and similar expenses				
Interest on overdue tax repayments	-		(1,080)	
Interest payable to group companies	14,271		-	
		(14,271)		1,080
Loss before taxation		(2,142,591)		(3,138,154)

This page does not form part of the financial statements on which the auditors have reported.

Schedule of administrative expenses for the year ended 31 March 2021

	Year ended 31 March 2021	Period ended 31 March 2020
	£	£
Administrative expenses		
Wages and salaries	1,831,060	2,165,715
Employer's N.I. contributions	212,358	357,010
Staff healthcare costs	21,441	26,425
Staff welfare	2,809	61,188
Staff recruitment	32,091	56,051
Staff pension costs	57,730	82,187
Directors' remuneration	113,598	300,000
Rent	212,493	694,970
Service charges	115,934	112,401
Rates	228,760	206,938
Cleaning	2,738	25,038
Light and heat	5,574	28,120
Repairs and maintenance	766	16,440
Insurance	35,110	38,066
Computer and internet expenses	140,706	203,414
Travelling expenses	8,503	51,574
Postage, courier and delivery charges	3,302	1,155
Subscriptions	80	120
Legal and professional fees	71,488	45,892
Consultancy fees	1,034,963	1,282,256
Accountancy	87,827	78,105
Non audit remuneration paid to auditors	3,500	4,500
Audit fees	26,000	26,000
Charitable donations	54	995
Bank charges	1,829	2,048
Bad and doubtful debts	274,689	135,000
Printing, postage and stationery	946	7,965
Advertising	69,206	350,274
Telephone	16,514	22,352
Entertaining	3,075	7,783

	Year ended 31 March 2021	Period ended 31 March 2020
	£	£
Sundry expenses	38,169	56,738
Financial consultant fees	60,900	84,000
Office costs	519,595	595,297
Depreciation	599,551	160,772
Profit or loss on sale of tangible assets	(30)	(1,178)
Profit or loss on foreign exchange	13,332	(68,239)
	5,846,661	**7,217,372**

This page does not form part of the financial statements on which the auditors have reported.

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

Board of Directors
Mr. Jayaraman Ganapathy- Director
Ms. Krishna Kumari Palle- Director
Mr. Rakesh Soni- Director
Mr. V. Venkata Kumar Raju- Director
Mr. Venkateswara Rao Gajjala – Director
Mr. Subramanyam Reddy Chelikam- Independent Director
Mr. Venkateswarlu Jonnalagadda- Independent Director
Mr. Shivanand Raja- Resigned on 24th March, 2021

Committees of the Board
Audit Committee
Mr. Venkateswarlu Jonnalagadda, Chairman
Mr. Subramanyam Reddy Chelikam
Mr. V. Venkata Kumar Raju

Nomination and Remuneration Committee
Mr. Rakesh Soni, Chairman
Mr. Shivanand Raja (upto 24th March, 2021)
Mr. Venkateswarlu Jonnalagadda
Mr. Subramanyam Reddy Chelikam

Corporate Social Responsibility Committee
Mr. Shivanand Raja, Chairman (upto 24th March, 2021)
Mr. Jayaraman Ganapathy
Mr. V. Venkata Kumar Raju
Mr. Venkateswarlu Jonnalagadda

Key Managerial Personnel
Mr. Rao S. Vadlamudi – C.E.O.
Mr. Srinivas Ramancherla- C.F.O.
Ms. Aradhana Rewatkar- Company Secretary

Auditors
M/s. M. Bhaskara Rao & Co.,
Chartered Accountants
5-D, Fifth Floor, ‘Kautilya’
6-3-652, Somajiguda
Hyderabad-500082

Bankers
ICICI Bank Limited
HSBC Bank Limited
Kotak Mahindra Bank Limited

Registered Office:
1-8-301-306, 3rd Floor, Ashoka MyHome Chambers,
S. P Road, Secunderabad- 500 003,
Telangana, INDIA

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Twenty First Annual Report together with audited Statement of Accounts of the Company for the year ended March 31, 2021.

The Company's Standalone financial results for the year under review along with previous year's results are presented hereunder:

Financial Highlights

Rs. in Millions

Particulars	2020-21	2019-20
Income	3,370.74	3,809.91
Other Income	171.63	171.74
Total Income	3,542.36	3,981.65
Operating Profit (EBITDA)	4,23.03	575.89
Operating Margin	12.55%	15.12%
Depreciation	85.69	78.18
EBT	508.09	669.45
Net Income (PAT)	375.84	474.78
Current Tax	108.07	174.78
Tax relating to earlier years	2.30	1.29
Deferred Tax	21.88	18.60
Cash & Cash Equivalent	233.50	254.49
Long Term Debt	-	-
Capital Expenditure	72.75	107.46

Business Overview

During the year under review, the Company secured business orders from 12 new Customers.

- Added one of the Top-10 OEMs in China
- Added a Korean OEM as a customer in Germany
- Expanded business to USA engineering operations for a large Japanese OEM
- Expanded business to German operations for a Top-15 Global Tier-1

The Company continued to enjoy 99% repeat business based on its quality of services and value addition.

The Company collaborated with TechM to achieve Diamond Supplier status with ZF Friedrichshafen AG (ZF), which was part of ZF's supplier consolidation initiative.

The top 15 customers accounted for 92% of the Company's revenues in FY21.

The Company revenue reduced by 19% in FY21 (Compared to FY20) in USD terms and 14.76 % in Rupee terms due to heavy headwinds experienced by the global automotive industry in FY21 as given below:

- Cancellation of programs.
- Closure of several onsite positions at very short notice in USA, Germany, China and Japan
- Partial working hours in Q1 FY21 & Q2 FY21 for several onsite positions in USA and Germany
- Travel restrictions
- Non issuance of new visas due to closure of embassies of major countries
- Continued pressure on rates at offshore and onsite due to budget cuts by customers.

Automotive Industry is one of the worst affected markets worldwide due to Covid lockdowns and other restrictions as several plants and development centres were shuttered for long periods of time. Overall vehicle sales reduced by about 15 % globally and it may take another 2 to 3 years for the industry to bounce back to its peak volume of 2019.

The Company had taken several measures such as work from home and converting onsite engagements to offshore to minimize the impact. The Company achieved 86% WFH with about 85% productivity within a short period of lockdown announcement. The company also focused on optimizing its operations and costs to maintain profitability in these troubled times. Some of the measures are:

- Reduced C&B costs by Rs. 26.4 crores through removal of variable pay across all levels, introduction of Virtual Pool Policy (VPP), headcount rationalization, and changes to the leave policy.
- Availing government benefits in Germany and Japan for associates on bench.
- Reduced SG&A by Rs. 14.3 crores through reduction in rent and optimization of other costs.

The Company continued its focus on new technology areas through its 3- Box initiatives to lay foundation of growth for FY22 and beyond as below:

- Mechatronics business grew to 150+ associates catering to all regions.
- Initiated projects in Machine Learning to optimize CAE simulation efforts.
- Developed Proof-of-Concepts in the areas of Infotainment Systems, Battery Management Systems, Telematics, and V2X Connectivity.
- Developed competencies in Electric Vehicle Battery Thermal Management & Structural studies
- Developing competencies in system modeling and simulation
- Business from a new-age Michigan-based EV OEM almost doubled to $3.5M in FY21. Expected to increase further in FY22.
- Initiated Styling related work for a UK based sports car manufacturer with a dedicated ODC at Satven Hyderabad.
- Initiated Proof-of-Concept with a large OEM in the area of Augmented Reality / Virtual Reality (AR/VR) in the manufacturing engineering area.
- Initiated a new concept design of Steering wheel Control panel with Touch and Force sensing with a large Tier-1 customer.
- Satven's associates co-authored 7 patents along with customers in FY21.

The Company received a special memento from BMW congratulating Satven on completing 20 years and thanking Satven for the support provided over the years.

The Company was awarded TISAX Assessment Level-3 by KPMG AG, Germany. This assessment is valid till June 2023. The Company also achieved compliance to GDPR regulations as audited by Deloitte, and received ISO 27001:2013 certificate for its Chennai location.

The Company continues to invest in its associates when it comes to their Training & Development and is also actively supporting EHSMS (Environment, Health & Safety Management Systems) initiatives across various locations.

During the year under review, 136 Associates were added globally. Associate attrition (voluntary) during the year was 9%. The Company continues to adopt various industry leading retention measures, such as Associate Engagement Initiatives, Implementation of Rewards & Recognition schemes and unique People Development Initiatives. The Company conducted several training programs in the areas of soft skills and technical domains covering more than 2438 associates in FY21.

Several of the Company's engineers received Achievement and Champion awards directly from customer senior leadership teams.

Marketing & Communication

The Company participated in various Industry Events to increase its visibility in the Automotive Market and also understand technology trends.

- Technical paper on 'Effects of Foot Angle on Human Fatigue in the Automotive Foot Controls' was published by Satven Team during the 5th International Conference on Human Interaction & Emerging Technologies (IHIET-2021) Paris, France conducted virtually on 4th March 2021.
- Consumer Electronics Show (CES) 2021: Satven was one of the exhibitors in the Consumer Electronics Show 2021 conducted virtually from the 11th to 14th of Jan. 2021. Several Automotive OEMs and Tier-1s participated in this show and visited Satven's stall to understand the Company's capabilities in the Mechanical, Mechatronics, and Digital Manufacturing spaces.
- The 14th Automotive World 2022 conference was held both physically and virtually in Tokyo, Japan from the 20th to the 22nd of Jan. 2021. Satven had a physical (stall) and virtual presence (presentations) at this conference.

- Satven was a Silver Sponsor of the NASSCOM Design & Engineering Summit which was conducted virtually during the 23rd and 24th of September 2020.
- Satven was one of the sponsors of the SMARTecIndia 2020 conference organized by ASSOCHAM from the 25th of September till the 1st of October 2020. This conference focussed on Smart Technologies used in Energy, Smart Mobility, Electric Vehicle, BFSI, Home Solutions, Fintech, Health, Education, MSMEs, among others.
- One of Satven's Powertrain specialists joined the first ever SAE International WCX Digital Summit which took place from June 16 to 18 2020. He presented insights on his SAE technical paper 'New Seven Speed DCT transaxle and effect of angular positioning of shaft in layout' to the expert group.

Academia Connect Initiatives

The Company initiated various Academia connect activities as listed below:

- Collaborating with Hiroshima University, Japan to improve the performance of battery pack using Data Driven PID control method.
- Initiated work with IIT Hyderabad in collaboration with ITSEV Japan (a consultancy specializing in EV battery development) in the area of EV battery testing and performance improvement.

Future Prospects

For long term sustenance and growth, the Company plans to develop more Offsite Engineering Centers in developed markets and expand presence in Mexico, China, Vietnam, Canada, Italy, France, among others. This coupled with several upcoming and niche solution areas, such as,

- **Mechatronics :**
  - Infotainment systems
  - Model based design
  - SIL & HIL testing and automation
  - Functional safety
  - Hardware & Software for BCS Switches
  - Autosar
- **Electric Vehicles**
  - EV - Full vehicle : Battery & BMS systems
  - EV - Subsystems : Motors, Transmission
  - EV crashworthiness and Noise & Vibration
- **Autonomous Driving**
  - ADAS - Sensors, Radar, Lidar
- **IoT (Industry 4.0)**
  - A.I. driven services / Machine Learning
- **Automation CAD & CAE**
- **Turnkey Projects (end-to-end solutions, Program Management)**
  - Turnkey Projects - Interiors/Exteriors
  - Turnkey Projects – BIW
  - Turnkey Projects - Lighting
  - Turnkey Projects - Seating
  - Turnkey Projects - Factory Layout and Plant Throughput optimization
- **Active Safety**
  - New advancements in Occupant safety (Passive safety vs Active Safety)
- **Light Weight technologies**
- **CAE**

- Model Based Design / Development
- Virtual Validation - Verification to validation
- SFE to all OEMs
- Buzz Squeak and Rattle (BSR) Studies and High Frequency NVH
- Electromagnetic simulation
- Thermal Management
- Frontal, Rear, Side Crash / PedPro compliance for new regulations and for implementation on new variants

- **Digital Manufacturing**
  - AR / VR - Future areas for Digital Manufacturing
  - Robot Offline Programming

will propel the growth of the Company and this will put the Company on right path towards supporting Autonomous and Electric Cars development in FY22 and beyond.

Auditors

M/s. M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company for a period of five (5) years from the conclusion of 19th AGM held on 23rd July, 2019, on such remuneration as may be determined by the Board of Directors.

The members may note that the Ministry of Corporate Affairs vide notification dated May 07, 2018, has done away with the requirement of yearly ratification of appointment of Statutory Auditors, at the AGM.

They have confirmed their eligibility under Section 139 of the Companies Act, 2013 and the Rules framed thereunder for continuing in the office of Auditors for the Financial Year 2021-22.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by the Auditor's in their Report.

In respect of Emphasis of Matters (EOM) made in the Auditors' Report, the Disclosures made at Note No. 29 and 31 in notes to Accounts are self-explanatory.

Internal Financial Controls

During the year under review, the External Consultant appointed by the Company conducted periodic review of IFC Framework.

The controls are adequate for ensuring the orderly and efficient conduct of the business including adherence to the Company's policies, the safe guarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

Fixed Deposits

Your Company has not accepted any deposit.

Dividends

No dividend is recommended by the Board of Directors for F.Y. 2020-21 in view of the requirements of funds for the growing operations of the Company. No amount was transferred to reserves.

Meetings of the Board

During the year ended 31st March, 2021, four Board Meetings were held on, 16h April, 2020, 17th July, 2020, 14th October, 2020 and 13th January, 2021 respectively. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

The dates of the Committee Meetings are as follows:

Audit Committee: 16h April, 2020, 17th July, 2020, 14th October, 2020 and 13th January, 2021

CSR Committee: 16th April, 2021, 17th July, 2020 and 14th October, 2020

NRC Committee: 16th April, 2021, 17th July, 2020 and 13th January, 2021

Directors

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 for F.Y. 2021-22.

Pursuant to the provisions of Section 152(6) (c) of the Companies Act 2013, Mr. Venkatakumar Raju Vadapalli (DIN 02958816) & Ms. Krishna Kumari Palle (DIN 08011919), Directors, are liable to retire by rotation and being eligible, offer themselves for reappointment.

Mr. Shivanand Raja resigned on 24th March, 2021. The Board places on record its sincere appreciation for the valuable advice and guidance given by his tenure.

Number of Board & Committee Meetings attended by the Board Members

Directors	Board Meeting	Audit Committee	CSR Committee	NRC Committee
Mr. Subramanyam Reddy Chelikam	4	4	NAP	3
Mr. Jayaraman Ganapathy	4	NAP	3	NAP
Ms. Krishna Kumari Palle	4	NAP	NAP	NAP
Mr. Rakesh Soni	4	NAP	NAP	3
Mr. V. Venkata Kumar Raju	4	4	3	NAP
Mr. Venkateswara Rao Gajjala	4	NAP	NAP	NAP
Mr. Venkateswarlu Jonnalagadda	4	4	3	3
Mr. Shivanand Raja (upto 24th March, 2021)	3	NAP	3	3

Internal Auditor

Pursuant to Sec 138 of the Companies Act, 2013, the Company had appointed Mr. J. S. S. Sivarama Prasad, Chartered Accountants as the Internal Auditors of the Company.

Board Evaluation

Pursuant to the provisions of Sec 178 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Directors have reviewed the performance of the Board for F.Y. 2020-21.

Remuneration Policy

The Board upon the recommendations of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration during F.Y. 2014-15. Extract of the Remuneration Policy is annexed as **Annexure 'B'**.

Corporate Social Responsibility (CSR)

The CSR vision of the Company is "Community Development through Education".

Pursuant to the guidelines prescribed under section 135 of the Companies Act, 2013, the Board has formed a Committee viz, Corporate Social Responsibility (CSR) Committee. The Board of Directors of the Company laid down the CSR Policy, covering the Objectives, Focus Areas, Governance Structure and Monitoring & Reporting Framework among others. Subsequently the CSR Policy as recommended by the CSR Committee was approved by the Board.

The Company has spent more than 2% of the average net profits of the Company during the three immediately preceding financial years on CSR.

In addition, Company organized CSR activities, such as organizing several Health awareness sessions from renowned hospitals and doctors.

The policy is available at https://satyamventure.com/csr/

The Company's social initiatives are carried out by Tech Mahindra Foundation and Mahindra Educational Institutions, Section 8 (erstwhile Section 25) Companies promoted by the Company. The Annual Report on CSR Activities is annexed as an **Annexure C**.

Related Party Transactions

All related party transactions that were entered into during the Financial Year were at arm's length basis and were in the ordinary course of business. No material related party transactions were made by the Company with its Promoters, Directors, Key Managerial Personnel .or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions for the period under review are placed before the Audit Committee and the Board for its approval. Pursuant to clause (h) of subsection (3) of Sec 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC 2 is annexed to this Report as **Annexure D.**

Risk Management

The Company has developed its Risk Assessment Framework and is being implemented under the ISO standards and IFC Framework.

The Company's Risk Management is also forming part of the Risk Management Framework adopted by the Holding Company wherein the elements of risks are overviewed for the Organization as a whole including its Subsidiaries.

Risk Management - COVID-19

Risk assessment & mitigation plans in perspective of the following parameters has been done:

- Customers (Revenue, Receivables, Delivery & Communication)
- Profitability Impact
- Cash flows
- Work from Home (productivity & cyber security)
- Associate engagement & wellbeing
- Vendor management
- Statutory Compliances

Whistle Blower Mechanism

Whistle Blower Mechanism is a part of the Company's Code of Ethical Business Conduct Policy which is applicable to all its Subsidiaries & Branches. The Policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman Office. No complaints were received during the period under review.

Sustainability

The Company has taken several steps to support the Green Initiatives including "Disposal of E-waste through Government authorized Agency".

Prevention of Sexual Harassment Policy

The Company has Prevention of Sexual Harassment Policy in which it formalized a free and fair enquiry process with clear timeline. Also the Company has formed an Internal Redressal Committee to which employees can write their complaints. During the year under review, the Company has not received any such complaint in this regard and no cases were filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Annual Return

The Annual Return in Form MGT 7 will be hosted on website at https://satyamventure.com/investors/ after necessary certification and filing the same with the authority.

Particulars of Employment

Section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5 (1), 2013 are not applicable for your Company.

Form of Statement containing salient features of financial statements of subsidiaries

The statement containing the salient features of the financial statement of a Company's Subsidiary or Subsidiaries, Associate Company or Companies and joint venture or ventures under the first proviso to sub-section (3) of section 129 in Form AOC-1 is annexed herewith as **Annexure 'E'**

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. M. Gayathri, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure 'F'**.

Details of Subsidiaries:

During the year under review, Company had two Subsidiaries, namely, Satven GmbH at Germany and Satyam Venture Engineering Services (Shanghai) Co., Ltd. at China.

Company has not incorporated any new Subsidiary during the year under review.

Particulars of loans, guarantees or investments under Section 186:

Company did not provide/give any loans, guarantees or investments under Section 186.

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars prescribed as per Sec 134 (3) (m) of Companies Act 2013 read with Companies (Accounts) Rules 2014 made thereunder Rule 8.

A. Conservation of Energy:

Company uses electrical energy for its equipment, such as, air-conditioners, computer terminals, lighting and utilities at work places. As an on -going process, the Company continued to undertake the following measures to conserve energy:

- Implemented LED lighting systems to optimize power consumption.
- Implementation of Sensor lighting system in cabins
- Replacement of outdated Air conditioners with new technology
- Identification and replacement of low efficient computers and peripherals.
- Conducting continuous energy conservation awareness and training sessions.
- Periodical maintenance of electrical equipment, Air conditioners & other computer peripherals.

Capital investment on energy conservation equipment: NIL

B. Technology Absorption: The Company has continued its endeavor to adopt technologies for its services to meet the requirements of a globally competitive market. The Company is compliant with the prevalent regulatory norms. Company collaborates with the Customers and develops the technology and register the patents from the project outcome. The Company also participates in various Global Automotive Forums to acquaint with the latest trends in the technology areas. These initiatives are providing additional revenue streams to the Company apart from higher visibility in the Market.

During the last three years, the Company did not import any technology.

No cost has been incurred towards **Research and Development**.

D. Foreign Exchange Earnings and outgo

(Rs. In Million)

		March 31, 2021	**March 31, 2020**
I)	Foreign Exchange Earnings	2,326.42	2,427.38
II)	Foreign Exchange outgo	1,555.60	1,603.53

Directors' Responsibility Statement

As required by the provisions of Section 134 of the Companies Act, 2013, Directors' Responsibility Statement is attached as Annexure 'A'.

Acknowledgement

Directors take this opportunity to place on record the valuable contribution and support received from the Customers, Members, Banks, Suppliers, Consultants and Associates and also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Mr. Jayaraman Ganapathy
Director

Place: Hyderabad
Date: April 16, 2021

ANNEXURE 'A'

Directors' Responsibility Statement

To the Members,

We, the Directors of Satyam Venture Engineering Services Private Limited, confirm the following:

i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. that the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That the Directors had prepared the Annual Accounts on a going concern basis.

v. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Mr. Jayaraman Ganapathy
Director

Place: Hyderabad
Date: April 16, 2021

ANNEXURE B

Nomination and Remuneration Policy

1. OBJECTIVE

In compliance with the provisions of Section 178 of Companies Act 2013, following policies are formalized:

1. Policy on appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
2. Policy on Remuneration to the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees
3. Policy on Evaluation of performance of the individual Directors.

2. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"**Board**" means Board of Directors of the Company.

"**Company**" means **Satyam Venture Engineering Services Private Limited**.

"**Committee(s)**" means Committees of the Board for the time being in force.

"**Employee**" means employee of the Company whether employed in India or outside India.

"**HR**' means the Human Resource department of the Company.

"**Key Managerial Personnel" means KMP defined under section 2(51) of the Companies Act, 2013 i.e. Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS)**.

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"**Senior Management Personnel**" means personnel of the company who are members of its core management team comprising of the HODs excluding Board of Directors & KMP. HODs refers to Heads of HR, Sales & Marketing, Commercial, Corporate Services, Legal, Delivery Heads, ERP & Quality.

3. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL

3.1 Directors

- The NRC determines the criteria for appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of individual Board member, the NRC will take into account multiple factors, including general understanding of the business, education, professional background, personal achievements, professional ethics and integrity.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made there under.

3.2 Key Managerial Personnel (KMP)

- The NRC determines the criteria for appointment of KMP and is vested with the authority to identify candidates for appointment of KMP. In evaluating the suitability of individual KMP, the NRC will take into account multiple factors, including general understanding of the business, education, professional background & experience, personal achievements, professional ethics, integrity and applicable statutory / regulatory requirements.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate Personnel.

3.3 Senior Management Personnel

- The CEO determines the criteria for appointment of the Senior Management Personnel supported by HR and is also vested with the authority to appoint Senior Management Personnel. In evaluating the suitability of Senior Management Personnel, the CEO will take into account multiple factors, including general understanding of the business, education, professional background & experience, personal achievements, professional ethics and integrity.

  The details of the appointment (s) made and the personnel removed / relieved during a quarter shall be presented to the Board.

3.4 Removal of Board of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the NRC may recommend to the Board for removal of a Director.

4. REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT PERSONNEL :

4.1 Directors:

The sitting fee for the Board and Committee meetings will be recommended by NRC to the Board.

The members on the Board, who are employees of the Holding Company, will not be paid any sitting fee for the Board and Committee meetings.

However, if necessary, NRC may recommend to the Board for such payments to any of the Directors.

4.2 Remuneration to Key Managerial Personnel & Senior Management Personnel

4.2 (a) Key Managerial Personnel:

- The initial remuneration of KMP (excluding C.E.O.) will be approved by the Board of Directors based on the recommendations of NRC. Subsequent revision will be made by C.E.O.
- The initial remuneration of C.E.O. will be approved by the Board of Directors based on the recommendations of NRC. Subsequent revision will be made by NRC.

4.2 (b) Senior Management Personnel:

- CEO supported by HR, to review and consider revision of the remuneration of Senior Management Personnel from time to time. The Company follows an extensive Performance Management System to review the performance of the Senior Management Personnel and provide rewards on the basis of meritocracy.
- CEO shall make a presentation to the NRC on the proposed annual increments based on the performance of the company, general trends in the Industry etc. the annual performance appraisal process of the employees conducted by the Human Resources department. Eligible employees will be rewarded with the annual increment. Before taking the proposal to the NRC, the CEO shall obtain the approval of Chairman of NRC.
- However, if any internal candidate is deputed by Holding Company from their rolls for any of these positions, the remuneration for such candidate(s) will be fixed by the holding company.

5. EVALATION FRAMEWORK

1. Performance Evaluation Individual Board members including Independent Directors:

- Evaluation for the Individual Directors, including Independent Directors will be carried out in the first month of each financial year i.e. April. The process will be initiated each year by the chairman of NRC assisted by the Company Secretary or any other person authorized by the NRC. Each Board Member will get an evaluation forms as given in Annexure-I & II in the first week of April of each year. The members shall complete the form and return it to the Chairman of NRC.

ANNEXURE 'C'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

   The CSR vision of the Company is "Community Development through Education".

   The Board of Directors of the Company laid down the CSR Policy, covering the Objectives, Focus Areas, Governance Structure and Monitoring & Reporting Framework among others. Subsequently the CSR Policy as recommended by the CSR Committee was approved by the Board.

   The policy is available at https://satyamventure.com/csr/

   The Company's social initiatives are carried out by Tech Mahindra Foundation and Mahindra Educational Institutions, Section 8 (erstwhile Section 25) Companies promoted by the Company.

2. **Composition of CSR Committee:**

INR

S. no	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shivanand Raja (upto 24th March, 2021)	Director	3	3
2	Mr. Jayaraman Ganapathy	Director	3	3
3	Mr. V Venkata Kumar Raju	Director	3	3
4	Mr. Venkateswarlu Jonnalagadda	Independent Director	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. https://satyamventure.com/csr/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any Not Applicable

S I . No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	NIL	NIL	NIL
2			
3			
	TOTAL	NIL	NIL

6. Average net profit of the company as per section 135(5): Rs. 33,62,01,881 /-

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 67,24,038/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

   (c) Amount required to be set off for the financial year, if any NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c). Rs. 67,24,038/-

8. (a) CSR amount spent or unspent for the financial year:

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year. (in Rs.)</th><th colspan="5">Amount Unspent (in Rs.)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</th></tr>
<tr><th>Amount</th><th>Date of transfer.</th><th>Name of the Fund</th><th>Amount</th><th>Date of transfer.</th></tr>
<tr><td>67,30,000/-</td><td>NIL</td><td>NIL</td><td>NIL</td><td>NIL</td><td>NIL</td></tr>
</table>

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	SMART	(ii)*	Yes	Telangana	Hyderabad	1 year	2390002	2390002	NIL	NO	Tech Mahindra Foundation	CSR00001814
2	SMART+	(ii)*	Yes	Telangana	Hyderabad	1 year	3093766	3093766	NIL	NO	Tech Mahindra Foundation	CSR00001814
3	Arise	(ii)*	Yes	Telangana	Hyderabad	1 year	1246232	1246232	NIL	NO	Tech Mahindra Foundation	CSR00001814
	TOTAL						**6730000**	**6730000**				

*(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in Rs.).	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	NIL								
2									
3									
	TOTAL	NIL							

(d) Amount spent in Administrative Overheads NIL

(e) Amount spent on Impact Assessment, if applicable NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) 67,30,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	67,24,038/-
(ii)	Total amount spent for the Financial Year	67,30,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5,962
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5,962

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. NO	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
			Name of the Fund	Amount	Date of transfer.	
1	NIL					
2						
	TOTAL	NIL				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed / Ongoing.**
1.								
2.					NIL			
3.								
	TOTAL				NIL			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Rao S. Vadlamudi
(Chief Executive Officer)

Jayaraman Ganapathy
(For Chairman CSR Committee)

For and on behalf of the Board of Directors

Jayaraman Ganapathy
Director

Place: Hyderabad
Date: April 16, 2021

ANNEXURE 'D'

FORM AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis are as follows:**

   (a) Name(s) of the related party and nature of relationship

   Holding Company - Tech Mahindra Limited

   Subsidiaries of Holding Company–

   - Tech Mahindra Technologies Inc.
   - Tech Mahindra (Shanghai) Co. Limited (formerly known as Satyam Computer Services (Shanghai) Co. Limited)
   - Tech Mahindra GmbH
   - Tech Mahindra Foundation

   Subsidiaries-

   - Satyam Venture Engineering Services (Shanghai) Co. Ltd, China
   - Satven GmbH, Germany

   Associate Companies-

   - Venture Global Engineering LLC
   - Mahindra & Mahindra Ltd
   - Jiangyin Venture Interior System
   - Venture Diversified Products
   - Venture Mould & Engg Co
   - Venture Otto South Africa (Prop) Ltd
   - Venture Auto Design (Shanghi)Co. Ltd

   (b) Nature of contracts/arrangements/transactions: Providing IT enabled Engineering Services & contribution towards CSR

   (c) Duration of the contracts / arrangements/transactions: Varies from 1 to 3 years and arrangement is through Master Service Agreements and Purchase orders.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Description	Transactions during the year ended March 31, 2021 (INR in MN)					Transactions during the year Ended March 31, 2020 (INR in MN)				
	Holding Company	Subsidiaries Company	Associate Company	Subsidiaries of Holding Company	Key Management Personnel	Holding Company	Subsidiaries Company	Associate Company	Subsidiaries of Holding Company	Key Management Personnel
Sales / Services rendered to	329.38	31.82	13.29	13.20	-	581.38	29.41	20.66	18.81	-
Remuneration	-	-	-	-	19.10	-	-	-	-	19.02
Advances from /(to)	-	-	-	-	-	-	1.74	-	-	-
Services received / Purchases #	4.71	-	-	-	-	11.83	-	-	-	-
CSR Expenses	-	-	-	6.73	-	-	-	-	6.47	-

(e) Date(s) of approval/discussion by the Board, if any: 16th April, 2020, 17th July, 2020, 14th October, 2021 & 13th January, 2021

(f) Amount paid as advances, if any: NA

\# Reimbursement of Salary Cost & Other Expenditure

For and on behalf of the Board of Directors

Mr. Jayaraman Ganapathy
Director

Place: Hyderabad
Date: April 16, 2021

ANNEXURE 'E'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No. **1**
2. Name of the subsidiary: **Satven GmbH**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **Same as Holding Company**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. **EURO (85.817)**
5. Share capital: **Rs. 3,64,72,225**
6. Reserves & surplus: **Rs. 75,80,362**
7. Total assets: **Rs. 6,04,82,021**
8. Total Liabilities: **Rs. 1,64,29,434**
9. Investments: **NIL**
10. Turnover: **Rs. 7,22,02,879**
11. Profit before taxation: **Rs. (1,03,53,854)**
12. Provision for taxation: **Rs. NIL**
13. Profit after taxation: **Rs. (89,34,545) (after adjustment of Rs.14,19,309 for earlier tax)**
14. Proposed Dividend: **NIL**
15. % of shareholding: **100%**

1 Sl. No. **2**

2. Name of the subsidiary: **Satyam-Venture Engineering Services (Shanghai) Co., Ltd.**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **January 1st to December 31st**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. **CNY (11.1705)**
5. Share capital: **Rs. 63,622,729**
6. Reserves & surplus: **Rs. 32,770,320**
7. Total assets: **Rs. 101,324,504**
8. Total Liabilities: **Rs. 4,931,455**
9. Investments: **NIL**
10. Turnover: **Rs. 60,336,907**
11. Profit before taxation: **Rs. 10,216,045**
12. Provision for taxation: **Rs. 1,401,891**
13. Profit after taxation: **Rs. 8,814,155**
14. Proposed Dividend: **NIL**
15. % of shareholding: **100%**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No. of shares	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding %	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
6. Networth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
7. Profit / Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
i. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations. **NIL**
2. Names of associates or joint ventures which have been liquidated or sold during the year. **NIL**

For and on behalf of the Board of Directors

Mr. Jayaraman Ganapathy
Director

Place: Hyderabad
Date: April 16, 2021

ANNEXURE 'F'

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

1-8-301-306, 3rd Floor

Ashoka My Home Chambers

Secunderabad, Telangana- 500003

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED (CIN:U72200AP2000PTC033213) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31st March, 2021 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Secretarial Standards issue by the Institute of Company Secretaries of India.

iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investments, Overseas Direct Investments and External commercial Borrowings, as applicable to the Company.

iv) The Depositories Act, 1996 and the Regulations and Bye-law framed there under;

v) Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the Company as the Company's Equity Shares are not listed in any Stock Exchanges in India

I further report that:

The Company was not required to comply with the following laws/regulations/agreements/ guidelines and consequently not required to maintain any books, papers, minutes books or other records or file any form / returns under:

a) The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;

b) Listing agreement , since the company is not listed entity

Management has identified and made internal control mechanism for complying the following laws and other laws as being specifically applicable to the Company:

i. Employee State Insurance Act, 1948

ii. The Employee Provident Fund and Miscellaneous Provisions Act, 1952

iii. The Payment of Bonus Act, 1965

iv. The Payment of Gratuity Act, 1972

v. The Contract Labour(Regulation and Abolition) Act, 1970

vi. The Maternity Benefits Act, 1961

vii. The Income Tax Act, 1961

viii. Shops and Establishments Act, 1948

ix. The Environment (Protection) Act, 1986

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in the compliance with the provisions of the Act.

b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

c) Shareholders of the company have not adopted financial statements at Annual General Meeting held on 17/07/2020 and the same was recorded as part of the Annual General Meeting minutes. The provisional un-adopted financial statements are filed with Registrar of Companies, Hyderabad.

d) There were Related Party transactions which in the opinion of the management, are within the Arm's Length basis and in the normal course business, approved by Audit Committee and Board of Directors of the Company.

e) As per the minutes of the Board Meetings and Committee Meetings, all the decision of the Board and Committee thereof were carried out with requisite majority.

Based on the information received and records maintained, I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines..

(Motati Gayathri)
Practicing Company Secretary
ACS: 24428
CP: 8947
UDIN: A024428C000102781
Place: Hyderabad
Date: April 15, 2021

Note: This report is to be read with our letter of even date which is annexed as "**ANNEXURE 1**" and forms an integral part if this report.

“ANNEXURE 1”

To,

The Member,
SATYAM VENTURE ENGINEERING SERVICESPRIVATE LIMITED
1-8-301-306, 3rd Floor
Ashoka My Home Chambers
Secunderabad, Telangana- 500003

Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records produced for audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

(Motati Gayathri)
Practicing Company Secretary
ACS: 24428
CP: 8947
UDIN: A024428C000102781
Place: Hyderabad
Date: April 15, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of
Satyam Venture Engineering Services Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Satyam Venture Engineering Services Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 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 then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (here after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the profit and total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following notes in the standalone financial statements:

a) Note 29.2 regarding reckoning of Rs.24,974.00 Lakhs as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from 01 April 2012 to 31 March 2021 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage.

b) Note 30 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of earlier years which have not been adopted by the shareholders.

Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors Report, but does not include the standalone financial statements and our 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
    b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;

e. the matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company;

f. on the basis of written representations received from the directors as on 31 March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of Section 164 (2) of the Act;

g. 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 B'; and

h. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

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

   i. the Company has disclosed the impact of all pending litigations on its financial position in its standalone financial statements - Refer note 29 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021, except for the contingent liability described under note 29.2 for which provision is not made since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the standalone financial statements.; and

   iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31 March 2021.

for **M.Bhaskara Rao & Co.,**
Chartered Accountants
Firm's Registration No.000459S

K.S. Mahidhar
Partner
Membership No. 220881
UDIN : 21220881AAAADU8502
Hyderabad, April 16, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) The Company does not have any immovable properties.

(ii) The Company is a service company, primarily rendering engineering services. It did not deal in any inventory during the year and accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and accordingly paragraph 3(iii) of the Order are not applicable, at present.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, investments made and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits to which the directions issued by the Reserve Bank of India and provisions of Section 73 to Section 76 or any other relevant provision of the Act and the Rules framed there under, where applicable, during the year.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1)(d) of the Act for the Company.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, goods and service tax, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year;

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, goods and service tax, value added tax and cess which were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable; and

(c) Details of dues of income tax, provident fund and service tax which have not been deposited as on 31 March 2021 on account of disputes are given below:

Statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount involved** (Rupees in Lakhs)
Income Tax Act 1961	Income Tax	Income Tax Appellate Tribunal	AY 2014-15, 2016-17 and 2017-18	1032.36
Finance Act, 1994	Service tax and penalty	CESTAT	2007-08 to 2016-17	888.95
Employees Provident Fund & Miscellaneous Provisions Act,1952	Provident Fund	Central Government Industrial Tribunal Cum Labour Court	2014-15 and 2015-16	125.96

(viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year; accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of Section 197 of the Companies Act, 2013 are not applicable to the Company Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into non-cash transactions with directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Act, are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 000459S

K.S. Mahidhar
Partner
Membership No.220881
UDIN: 21220881AAAADU8502
Hyderabad, April 16, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

We have audited the internal financial controls over financial reporting of **Satyam Venture Engineering Services Private Limited** ("the Company") as of 31 March 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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.

Opinion

In our opinion, 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 31 March 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 ICAI.

for **M.Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No.000459S

K.S. Mahidhar
Partner
Membership No. 220881
UDIN: 21220881AAAADU8502
Hyderabad, April 16, 2021

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	630.61	597.37
(b) Other intangible assets	5	597.61	754.72
(c) Financial assets			
(i) Investments	6	943.67	943.67
(ii) Other financial assets	7	2,776.15	1,259.38
(d) Deferred tax assets (net)	8	400.43	699.66
(e) Non-current tax assets (net)	9	5,036.45	6,070.88
Total Non-Current Assets		**10,384.91**	**10,325.68**
Current Assets			
(a) Financial assets			
(i) Investments	6	9,528.62	5,677.67
(ii) Trade receivables	10	6,841.82	7,739.17
(iii) Cash and cash equivalents	11	2,335.02	2,544.91
(iv) Other bank balances	12	5,982.21	5,151.21
(v) Other financial assets	7	2,359.53	3,826.48
(b) Other current assets	13	823.11	1,154.33
Total Current Assets		**27,870.31**	**26,093.77**
Total Assets		**38,255.22**	**36,419.45**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	708.90	708.90
(b) Other equity	15	28,759.59	24,762.04
Total Equity		**29,468.49**	**25,470.94**
LIABILITIES			
Non-Current Liabilities			
(a) Provisions	16	1,461.31	1,655.28
(b) Other Financial Liabilities	17	0.42	-
Total Non-Current Liabilities		**1,461.73**	**1,655.28**
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
(A) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		546.54	841.69
(ii) Other financial liabilities	17	410.38	759.29
(b) Other current liabilities	19	592.30	495.81
(c) Provisions	16	5,491.46	5,711.19
(d) Current tax liabilities (Net)	20	284.33	1,485.25
Total Current Liabilities		**7,325.01**	**9,293.23**
Total Equity and Liabilities		**38,255.22**	**36,419.45**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

G.Jayaraman Director DIN: 01461157	**Rakesh Soni** Director DIN: 02973741	**V.Venkata Kumar Raju** Director DIN: 02958816
J.Venkateswarlu Director DIN: 00051001	**Krishna Kumari Palle** Director DIN:08011919	**C.Subramanyam Reddy** Director DIN: 07089237
Venkateswara Rao Gajjala Director DIN:08733877	**Rao.S.Vadlamudi** CEO	**Srinivas R** CFO
		Aradhana R. Company Secretary

Hyderabad, April 16, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Income from operations	21	33,707.37	38,099.12
Other income	22	1,716.25	1,717.42
Total Income		**35,423.62**	**39,816.54**
Expenses			
Sub contracting costs		92.84	258.46
Employee benefits expense	23	25,035.15	26,824.95
Finance costs		8.72	-
Depreciation and amortisation expense	24	856.90	781.79
Other expenses	25	4,349.08	5,256.85
Total Expenses		**30,342.69**	**33,122.05**
Profit before tax		5,080.93	6,694.49
Tax Expense	26		
Current tax		1,080.70	1,747.75
Earlier years tax		23.04	12.94
Deferred tax		218.79	186.03
Total tax expense		1,322.53	1,946.72
Profit for the year		**3,758.40**	**4,747.77**
Other comprehensive income / (loss)			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		309.35	(66.23)
Income tax on above items	26	(77.86)	16.67
		231.49	**(49.56)**
B. Items that may be reclassified to profit or loss			
Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)		10.24	-
Income tax on above items	26	(2.58)	-
		7.66	**-**
Other comprehensive income / (loss) for the year		239.15	(49.56)
Total comprehensive income for the year		**3,997.55**	**4,698.21**
Earnings per equity share	38		
Basic and Diluted - (In Rs. per share)		**53.02**	**66.97**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

G.Jayaraman
Director
DIN: 01461157

Rakesh Soni
Director
DIN: 02973741

V.Venkata Kumar Raju
Director
DIN: 02958816

J.Venkateswarlu
Director
DIN: 00051001

Krishna Kumari Palle
Director
DIN:08011919

C.Subramanyam Reddy
Director
DIN: 07089237

Venkateswara Rao Gajjala
Director
DIN:08733877

Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, April 16, 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit for the year	5,080.93	6,694.49
	Adjustments for		
	Interest income recognised in profit or loss	(411.58)	(389.44)
	Loss / (Profit) on sale of fixed assets	(0.83)	(3.83)
	Depreciation and amortisation of non-current assets	856.90	781.79
	Net foreign exchange (gain) / loss	56.16	5.38
	Net (Gain) / Loss on sale of investments	(12.31)	(69.79)
	Provision for doubtful receivables	0.30	18.70
	Fair value measurements	(364.04)	(335.39)
	Operating profit / (loss) before working capital changes	**5,205.53**	**6,701.92**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade Receivables	897.05	96.80
	Other Non-Current Assets	-	46.07
	Other Non-Current Financial Assets	3.45	14.01
	Other Current Financial Assets	1,436.37	(1,723.00)
	Other Current Assets	331.22	(65.10)
	Adjustments for increase / (decrease) in operating liabilities:		
	Non-Current Provisions	(193.97)	358.56
	Trade Payables	(295.15)	150.50
	Current Provisions	89.62	(3.45)
	Other Financial Liabilities	(348.91)	324.24
	Other Current Liabilities	96.49	(68.66)
	Cash generated from operations	**7,221.71**	**5,831.88**
	Income Tax paid (Net)	(1,270.23)	(2,435.78)
	Net cash flow from operating activities (A)	**5,951.48**	**3,396.10**
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including Capital Work in Progress)	(727.49)	(1,074.59)
	Proceeds from disposal of property, plant and equipment	(4.71)	13.91
	Bank balances (Deposits) not considered as cash and cash equivalents		
	- Placed	(7,502.89)	(4,826.10)
	- Matured	5,162.34	3,066.84
	Current Investments		
	- Purchased	(5,899.80)	(6,178.00)
	- Proceeds from sale / redemption	2,425.19	5,573.32
	Interest received	442.16	264.42
	Net cash flow used in investing activities (B)	**(6,105.20)**	**(3,160.21)**

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
C.	**Cash flow from financing activities**	-	-
	Net cash flow from / (used in) financing activities (C)	**-**	**-**
	Net increase / (decrease) in cash and cash equivalents	**(153.73)**	**235.89**
	Cash and cash equivalents at the beginning of the period	**2,544.91**	**2,314.40**
	Effect of exchange difference on cash and cash equivalents held in foreign currency	(56.16)	(5.38)
	Cash and cash equivalents at the end of the period	**2,335.02**	**2,544.91**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

G.Jayaraman Director DIN: 01461157	**Rakesh Soni** Director DIN: 02973741	**V.Venkata Kumar Raju** Director DIN: 02958816
J.Venkateswarlu Director DIN: 00051001	**Krishna Kumari Palle** Director DIN:08011919	**C.Subramanyam Reddy** Director DIN: 07089237
Venkateswara Rao Gajjala Director DIN:08733877	**Rao.S.Vadlamudi** CEO	**Srinivas R** CFO
		Aradhana R. Company Secretary

Hyderabad, April 16, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

A.	**Equity Share Capital**	**Amount**
	Issued and paid up equity share capital	
	Balance as at 31 March 2019	708.90
	Changes in equity share capital during the year	-
	Balance as at 31 March 2020	708.90
	Changes in equity share capital during the year	-
	Balance as at 31 March 2021	708.90

B. Other Equity

Particulars	Reserves & Surplus		Items of other comprehensive income / (loss)			Total
	General Reserve	Retained Earnings	Reameasurement of defined benefit plan	Exchange differences in translating the financial statements of foreign operations	Cash Flow Hedge Reserve	
Balance as at 31 March 2019	**12.50**	**19,984.31**	**67.02**	**-**	**-**	**20,063.83**
Profit for the year	-	4,747.77	-	-		4,747.77
Other Comprehensive Income (net of tax)	-	-	(49.56)	-	-	(49.56)
Total comprehensive income for the year	**-**	**4,747.77**	**(49.56)**	**-**	**-**	**4,698.21**
Balance as at 31 March 2020	**12.50**	**24,732.08**	**17.46**	**-**	**-**	**24,762.04**
Profit for the year	-	3,758.40	-	-		3,758.40
Other Comprehensive Income (net of tax)	-	-	231.49	-	7.66	239.15
Total comprehensive income for the year	**-**	**3,758.40**	**231.49**	**-**	**7.66**	**3,997.55**
Balance as at 31 March 2021	**12.50**	**28,490.48**	**248.95**	**-**	**7.66**	**28,759.59**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

Hyderabad, April 16, 2021

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

G.Jayaraman Director DIN: 01461157	**Rakesh Soni** Director DIN: 02973741	**V.Venkata Kumar Raju** Director DIN: 02958816
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Venkateswara Rao Gajjala Director DIN:08733877	**Rao.S.Vadlamudi** CEO	**Srinivas R** CFO
		Aradhana R. Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

1. Corporate Information

Satyam Venture Engineering Services Private Limited (“the Company”) was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL was merged with Tech Mahindra Limited in the year 2013, consequent to a scheme of amalgamation and arrangement as approved by the then Hon’ble High Court of Judicature Andhra Pradesh and Hon’ble High Court of Bombay.

The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom, Japan and Mexico. The standalone financial statements reflect the results of its operations carried on by Indian operations and overseas branches.

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised to issue on 16 April 2021.

2. Significant accounting policies:

2.1 Statement of Compliance:

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates:

The preparation of these standalone financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Property, Plant & Equipment and Other Intangible assets:

Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation/ amorisation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible Assets – Software	License period or 3 years whichever is lower

The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee :

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right- of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

2.6 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss

2.7 Revenue recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for engineering services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for volume discounts and pricing incentives , if any, to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

2.8 Foreign currency transactions:

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities of foreign operations are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

2.9 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

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

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost as per Ind AS 27 in Separate Financial Statements.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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.

ii) Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/ option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/ losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in effective portion of cash flow hedges is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.11 Employee Benefits:

a) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences:

The Company provides for the encashment of leave subject to Company's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries. The Company does not expect the difference on account of varying methods to be material.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income 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.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.13 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued if any, during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date.

2.14 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

3. Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future , and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment:

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for doubtful receivables:

The Company has adopted Expected credit loss model for provisioning of receivables,apart from this the company also monitors long outstanding balances and make additional provision where required.

Provision for employee benefits:

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period . These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes:

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

	As at 31 March 2021	As at 31 March 2020
4. Property, Plant and Equipment		
Carrying amounts of		
Plant and Equipment	517.70	421.71
Office Equipments	51.07	67.12
Furniture and Fixtures	41.64	77.98
Vehicles	20.20	30.56
Total	**630.61**	**597.37**
5. Other Intangible assets		
Carrying amounts of:		
Computer Software	597.61	754.72
(other than internally generated)		
Total	**597.61**	**754.72**

4A Property, Plant and Equipment

	Gross Block (At Cost)				Depreciation				Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Balance as at 31 March 2021	Upto 01 April 2020	For the year	Deletion / Adjustment	Upto 31 March 2021	As at 31 March 2021
Tangible Assets									
Plant and Machinery	2,085.65	390.15	19.77	2,456.03	1,663.94	292.09	17.70	1,938.33	517.70
Office Equipment	405.22	26.00	13.34	417.88	338.10	42.23	13.52	366.81	51.07
Furniture, Fixtures & Interiors	392.40	5.93	15.02	383.31	314.42	46.03	18.78	341.67	41.64
Vehicles	52.51	0.86	-	53.37	21.95	11.22	-	33.17	20.20
Total	**2,935.78**	**422.94**	**48.13**	**3,310.59**	**2,338.41**	**391.56**	**49.99**	**2,679.98**	**630.61**

	Gross Block (At Cost)				Depreciation				Net Block
	As at 1 April 2019	Additions	Deletion / Adjustment	Balance as at 31 March 2020	Upto 01 April 2019	For the year	Deletion / Adjustment	Upto 31 March 2020	As at 31 March 2020
Tangible Assets									
Plant and Machinery	1,861.71	403.60	179.66	2,085.65	1,612.57	220.98	169.61	1,663.94	421.71
Office Equipment	375.88	50.84	21.50	405.22	314.95	44.63	21.48	338.10	67.12
Furniture, Fixtures & Interiors	337.90	86.57	32.07	392.40	296.70	49.79	32.07	314.42	77.98
Vehicles	32.77	33.43	13.69	52.51	32.77	2.87	13.69	21.95	30.56
Total	**2,608.26**	**574.45**	**246.93**	**2,935.78**	**2,256.99**	**318.27**	**236.85**	**2,338.41**	**597.37**

5A Other Intangible assets

	Gross Block (At Cost)				Amortisation				Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Balance as at 31 March 2021	Upto 01 April 2020	For the year	Deletion / Adjustment	Upto 31 March 2021	As at 31 March 2021
Software	4,915.61	304.55	222.91	4,997.25	4,160.89	465.34	226.59	4,399.64	597.61
Total	**4,915.61**	**304.55**	**222.91**	**4,997.25**	**4,160.89**	**465.34**	**226.59**	**4,399.64**	**597.61**

	Gross Block (At Cost)				Amortisation				Net Block
	As at 1 April 2019	Additions	Deletion / Adjustment	Balance as at 31 March 2020	Upto 01 April 2019	For the year	Deletion / Adjustment	Upto 31 March 2020	As at 31 March 2020
Software	4,403.06	512.55	-	4,915.61	3,697.37	463.52	-	4,160.89	754.72
Total	**4,403.06**	**512.55**	**-**	**4,915.61**	**3,697.37**	**463.52**	**-**	**4,160.89**	**754.72**

6. Investments

		As at 31 March 2021		As at 31 March 2020	
		Number of Shares	Amount	Number of Shares	Amount
I	**Non-Current Investments**				
A	**Investments in Equity Instruments**				
	In subsidiaries (at cost)				
	Satyam Venture Engineering Services (Shanghai) Co. Ltd [Refer note (i) below]	-	584.17	-	584.17
	Satven GmbH	-	359.50	-	359.50
	Total		**943.67**		**943.67**
(a)	Aggregate amount of quoted investments and market value thereof;		-		-
(b)	Aggregate amount of unquoted investments; and		943.67		943.67
(c)	Aggregate amount of impairment in value of investments		-		-

Note :

(i) Investment in this entity is not denominated in number of shares as per laws of the People's Republic of China.

		As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
II	**Current Investments**				
A	**Investment in Mutual Funds**				
	(at fair value)				
	ICICI Prudential Savings Fund- Growth	193994	807.02	243602	943.59
	ICICI Prudential Savings Fund - DP Growth	972995	4,083.55	980628	3,828.08
	ICICI Prudential Liquid Fund - DP Growth	429269	1,308.14	129682	380.98
	ICICI Prudential Overnight Fund - DP Growth	3000422	3,329.91	487263	525.02
	Total		**9,528.62**		**5,677.67**
(a)	Aggregate amount of quoted investments and market value thereof;		9,528.62		5,677.67
(b)	Aggregate amount of unquoted investments		-		-
(c)	Aggregate amount of impairment in value of investments		-		-

6.1 Details of material subsidiaries

Name of the Subsidiary	Satyam Venture Engineering Services (Shanghai) Co. Ltd	Satven GmbH
Principal activity	Engineering Services	Engineering Services
Place of incorporation and principal place of business	China	Germany
Proportion of ownership interest / voting rights held by the Company	100%	100%

6.2 Summarised financial information of material subsidiaries

	Satyam Venture Engineering Services (Shanghai) Co. Ltd		Satven GmbH	
	As at			
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Non-Current Assets	1.13	8.68	58.57	9.75
Current Assets	1,120.45	962.17	546.25	781.76
Non-Current Liabilities	-	-	-	-
Current Liabilities	116.85	124.31	164.29	281.85
	Year ended			
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Revenue	679.09	1,318.49	722.03	1,851.03
Expenses	550.77	1,180.80	825.57	1,774.71
Tax Expense	14.79	51.09	(14.19)	26.66
Profit / (loss) for the year	113.53	86.60	(89.35)	49.66
Other Comprehensive income for the period	14.26	8.37	6.79	8.87
Total Comprehensive income for the period	127.80	94.98	(82.55)	58.54

		As at 31 March 2021	As at 31 March 2020
7.	**Other financial assets measured at amortised cost**		
	I. Non-Current		
	(Unsecured, considered good)		
	Other bank balances - in deposit accounts	2,380.31	871.07
	Security Deposits[Refer note 7.1]	385.18	388.31
	Foreign Currency Derivative Assets [Refer note 35]	10.66	-
	Total	**2,776.15**	**1,259.38**
	II. Current		
	(Unsecured, considered good)		
	Unbilled revenue	2,168.04	3,604.41
	Interest Receivable on deposits	191.49	222.07
	Total	**2,359.53**	**3,826.48**

7.1 Include deposit of Rs.67.83 Lakhs [31 March 2020 : Rs.67.83 Lakhs] with CGITCLC and Rs.58.24 Lakhs [31 March 2020: Rs.58.24 Lakhs] with CESTAT in respect of the ongoing disputes [Refer note 29A(ii) & (iv)]

		As at 31 March 2021	As at 31 March 2020
8.	**Deferred tax assets (Net)**		
	Deferred tax assets	661.41	778.38
	Deferred tax liabilities	(260.98)	(78.71)
	Total	**400.43**	**699.66**

8.1 The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	For the year ended 31 March 2021			
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Closing balance**
Property, plant and equipment and Intangible assets	242.49	0.79	-	243.29
Provision for doubtful debts	13.64	(13.64)	-	-
Provision for defined benefit obligations	522.25	(26.26)	(77.86)	418.12
ICDS Adjustments: Interest on Income Tax	-	(99.19)		(99.19)
Cash Flow Hedging Reserve	-	-	(2.58)	(2.58)
Fair value gain on Mutual funds	(78.71)	(80.50)	-	(159.21)
Net Deferred Tax Assets	**699.66**	**(218.79)**	**(80.44)**	**400.43**

	For the year ended 31 March 2020			
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Closing balance**
Property, plant and equipment and Intangible assets	322.72	(80.23)	-	242.49
Provision for doubtful debts	19.07	(5.43)	-	13.64
Provision for defined benefit obligations	577.87	(72.30)	16.67	522.25
Fair value gain on Mutual funds	(50.64)	(28.07)	-	(78.71)
Net Deferred Tax Assets	**869.02**	**(186.03)**	**16.67**	**699.66**

		As at 31 March 2021	As at 31 March 2020
9.	**Non-current tax assets (net)**		
	Advance income tax and tax deducted at source	5,036.45	6,070.88
	(net of provisions Rs.11,422.07 Lakhs [31 March 2020: Rs.11,954.65 Lakhs])		
	Total	**5,036.45**	**6,070.88**
10.	**Trade receivables**		
	(a) Considered good - Secured	-	-
	(b) Considered good - Unsecured	6,841.82	7,739.17
	(c) Receivables which have significant increase in credit risk	-	-
	(d) Credit impired	-	54.19
	Less: allowance for expected credit loss	-	(54.19)
	Total	**6,841.82**	**7,739.17**
10.1	**Of the above, trade receivables from:**		
	(a) Related parties [Refer note 32]	2,178.25	2,134.42
	(b) Others	4,663.57	5,604.75
	Total	**6,841.82**	**7,739.17**
10.2	**Classification of trade receivables**		
	Non-Current	-	-
	Current	6,841.82	7,739.17
	Total	**6,841.82**	**7,739.17**

10.3 Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for trade receivables (other than receivables from related parties) that do not constitute a financing transaction. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Before accepting any new customer, the Company assesses the potential customer's credit quality..

The Average credit period on Sale of Services 60 days .

Age of Trade Receivables

Age of receivables	**As at 31 March 2021**	**As at 31 March 2020**
a) Within the credit period	5,494.57	6,698.82
b) less than 180 days past due	1,324.42	1,020.90
c) More than 180 days past due	19.65	19.94
d) More than 1 year	3.18	53.70

10.4 Movement in the allowance for expected credit loss

	As at 31 March 2021	**As at 31 March 2020**
Balance at the beginning of the year	54.19	54.19
Add: Allowance for expected credit loss	0.30	19.09
Less: Provision write back	-	0.14
Less: Receivables written off	54.49	18.95
Balance at the end of the year	**-**	**54.19**

	As at 31 March 2021	As at 31 March 2020
11. Cash and cash equivalents		
Balances with Banks		
(a) with Scheduled banks		
in Current account	80.07	291.00
in Deposit account	869.00	40.00
(b) with Other banks		
in Current account	1385.95	2213.72
Cash on hand	-	0.19
Total	**2335.02**	**2544.91**
12. Other Bank Balances		
Balances with Banks		
with Scheduled banks		
in Deposit account	5,982.21	5,151.21
Total	**5,982.21**	**5,151.21**
13. Other assets		
I. Non-Current		
(Unsecured, considered good)		
Capital advances	-	-
Total	**-**	**-**
I. Current		
(Unsecured, considered good)		
Prepaid expenses	460.84	644.92
Loans and Advances to Employees	102.09	224.30
Balance with government authorities	121.01	80.13
Contract assets [Refer note 33]	34.80	-
Others	104.37	204.98
Total	**823.11**	**1,154.33**
13.1 Of the above, Other assets from:		
(a) Related parties [Refer note 31]	0.83	1.25
(b) Others	822.29	1,153.08
	823.11	**1,154.33**

14. Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amounts**	**Number of Shares**	**Amounts**
Authorised Share Capital				
Equity share capital of Rs.10 each	7,500,000	750.00	7,500,000	750.00
Issued, Subscribed and Fully Paid up				
Equity share capital of Rs.10 each	7,088,960	708.90	7,088,960	708.90

14. 1Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amounts**	**Number of Shares**	**Amounts**
Equity share capital of Rs.10 each				
Balance as at beginning of the year	7,088,960	708.90	7,088,960	708.90
Issued during the year	-	-	-	-
Balance as at end of the year	7,088,960	708.90	7,088,960	708.90

14. 2Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amounts**	**Number of Shares**	**Amounts**
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	3,544,480	354.45	3,544,480	354.45
Venture Global Engineering Services LLC	3,544,480	354.45	3,544,480	354.45

14. 3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amounts**	**Number of Shares**	**Amounts**
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	3,544,480	50%	3,544,480	50%
Venture Global Engineering Services LLC	3,544,480	50%	3,544,480	50%

14. 4Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

	As at 31 March 2021	As at 31 March 2020
15. Other equity		
General Reserve	12.50	12.50
Retained Earnings	28,490.48	24,732.08
Other Components of Equity		
Remeasurement of the defined benefits plans	248.95	17.46
Cash Flow Hedging Reserve (Net of tax)	7.66	-
Total	**28,759.59**	**24,762.04**
15.1 General Reserve [note 15.4]		
Balance at beginning of year	12.50	12.50
Movement during the year	-	-
Balance at end of year	**12.50**	**12.50**

		As at 31 March 2021	As at 31 March 2020
15.2	**Retained Earnings [note 15.5]**		
	Balance at beginning of year	24,732.08	19,984.31
	Profit for the year	3,758.40	4,747.77
	Balance at end of year	**28,490.48**	**24,732.08**
15.3	**Other Components of Equity**		
a)	**Remeasurement of the defined benefits plans [note 15.6]**		
	Opening balance	17.46	67.02
	Current year charge	231.49	(49.56)
	Balance at end of year	**248.95**	**17.46**
b)	**Cash Flow Hedge Reserve [note 15.7]**		
	Opening balance	-	-
	Movement during the period (Net of tax)	7.66	-
	Balance at end of year	**7.66**	**-**

15.4 The Company has transferred the amount from capital reserve upon fulfilment of the contribution attached to the investment subsidy received in earlier years..

15.5 Retained earning represents the Company's undistributed earnings after taxes.

15.6 Represents the actuarial gain/(loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.

15.7 It represents accumulated effective portion of changes in fair value of the derivative and will be transferred to statement of Profit and Loss upon occurance of related forcasted transaction.

		As at 31 March 2021	As at 31 March 2020
16.	**Provisions**		
I	**Non-Current**		
	Provision for Employee Benefits [Refer note 31]		
	Compensated Absences	307.90	489.25
	Gratuity	1,153.41	1,166.03
	Total	**1,461.31**	**1,655.28**
II	**Current**		
	Provision for Employee Benefits [Refer note 31]		
	Compensated Absences	53.44	259.87
	Gratuity	146.60	159.90
	Provision for Contingencies [Refer note 29.2]	5,291.42	5,291.42
	Total	**5,491.46**	**5,711.19**

		As at 31 March 2021	As at 31 March 2020
17.	**Other Financial Liabilities**		
I	**Non-Current**		
	Foreign Currency Derivatives Liabilities [Refer note 35]	0.42	-
		0.42	**-**
II	**Current**		
	Other Financial Liabilities		
	Dues for Capital assets	6.58	7.92
	Accrued Salaries and Benefits	403.80	751.37
	Total	**410.38**	**759.29**
II	**Current**		
18.	**Trade Payables**		
	Amounts due to micro and small enterprises (Refer note 18.2)	-	-
	Others	546.54	841.69
	Total	**546.54**	**841.69**

18.1 Includes Rs.Nil Lakhs [31 March 2020 : Rs.55.36 Lakhs] dues to related parties [Refer note 32]

18.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

		As at 31 March 2021	As at 31 March 2020
a)	Principal amount remaining unpaid	Nil	Nil
b)	Interest due thereon	Nil	Nil
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
e)	Interest accrued and remaining unpaid	Nil	Nil
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

		As at 31 March 2021	As at 31 March 2020
19.	**Other Current Liabilities**		
	Statutory payables	592.30	495.81
	Total	**592.30**	495.81
20.	**Current tax liabilities**		
	Income tax payables	284.33	1,485.25
	(net of advance tax Rs.6,113.61 Lakhs [31 March 2020: Rs.3,367.01 Lakhs])		
	Total	**284.33**	**1,485.25**

		Year ended 31 March 2021	Year ended 31 March 2020
21.	**Income from operations**		
	Income from Services		
	- export of services	20,806.32	23,346.56
	- domestic services	12,769.02	14,564.46
	Other operating income	132.03	188.10
	Total	**33,707.37**	**38,099.12**
22.	**Other income**		
	Interest Income		
	Deposits with Banks (at amortised cost)	411.58	389.44
	Interest on Income Tax Refund	855.02	232.37
	Net Gain / (Loss) on sale of investments	12.31	69.79
	Profit on sale of assets (net)	0.83	3.83
	Forex gain	-	612.58
	Fair value measurements	364.04	335.39
	Liability/Provisions no longer required written back	21.69	49.75
	Miscellaneous Income	50.78	24.27
	Total	**1,716.25**	**1,717.42**
23.	**Employee benefits expense**		
	Salaries and Bonus	24,113.53	25,829.73
	Contribution to Provident and Other Funds	486.49	537.51
	Gratuity	344.19	272.59
	Staff Welfare	90.94	185.12
	Total	**25,035.15**	**26,824.95**
24.	**Depreciation and amortisation expense**		
	On tangible assets	391.56	318.27
	On intangible assets	465.34	463.52
	Total	**856.90**	**781.79**
25.	**Other expenses**		
	Rent	356.90	535.76
	Rates and taxes	123.52	134.62
	Power and fuel	119.18	139.39
	Travelling and Conveyance	714.86	1,426.54
	Communication	191.87	104.20
	Marketing expenses	51.94	141.96
	Repair and Maintenance	205.83	301.11
	Computer Hire Charges	369.13	59.86
	Security Services	55.35	47.69
	Recruitment, Training and Development	88.94	181.29
	General Office Expenses	9.05	22.44
	Legal and professional	471.30	604.68
	Office Maintenance	132.11	158.25

		Year ended 31 March 2021	Year ended 31 March 2020
	Computer Maintenance	764.34	1,052.34
	Auditors' Remuneration (Refer note 25.1)	37.35	22.41
	Directors Sitting Fees	5.90	6.00
	CSR Expenses	67.30	64.70
	Provision for doubtful debts	0.30	18.70
	Bad Debts Written off	54.49	18.95
	Less: Provision	(54.49)	(18.95)
	Forex loss	344.49	-
	Bank Charges	59.53	30.48
	Miscellaneous expenses	179.89	204.43
	Total	**4,349.08**	**5,256.85**
25.1	**Auditors' remuneration includes**		
	for statutory audit	11.00	11.00
	for quarterly audit	3.00	3.00
	for tax audit	3.50	3.50
	for GST audit	7.50	-
	for other matters	12.35	4.81
	for reimbursement of expenses	-	0.11
		37.35	**22.41**
26	**Income taxes relating to continuing operations**		
26.1	**Income tax recognised in profit or loss**		
	Current tax		
	In respect of the current year	1,080.70	1,747.75
	In respect of the prior years	23.04	12.94
		1,103.74	**1,760.69**
	Deferred tax		
	In respect of the current year	218.79	186.03
		218.79	**186.03**
26.2	**Reconciliation of income tax expense for the year to the accounting profit is as follows:**		
	Profit before tax from continuing operations	5,080.93	6,694.49
	Income tax expense calculated at 25.168%	1,278.77	1,684.87
	Effect of income that is exempt from tax	(0.21)	(0.96)
	Effect of expenses that are not deductible in determining taxable profit	(197.86)	63.84
		1,080.70	**1,747.75**
	Adjustment recognised in the current year in relation to the current tax of earlier years	23.04	12.94
	Income tax expense recognised in profit or loss	1,103.74	1,760.69

		Year ended 31 March 2021	Year ended 31 March 2020
26.3	**Income tax recognised in other comprehensive income**		
	Deferred tax arising on income and expenses recognised in other comprehensive income		
A.	**Items that will not be recycled to profit or loss**		
	Remeasurements of the defined benefit liabilities / (asset)	77.86	(16.67)
		77.86	**(16.67)**
B.	**Items that may be reclassified to profit or loss**		
	Exchange differences in translating the financial statements of foreign operations	2.58	-
		2.58	**-**
		80.44	**(16.67)**

26.4 Current tax for the year ended 31 March 2021 includes tax expense with respect to foreign branches amounting to Rs.392.57 Lakhs [Year ended 31 March 2020 Rs.61.98 Lakhs].

26.5 The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws. Company has elected to claim benefit given under section 115BAA of Income tax Act,1961 and has applied tax rate of 22% for computation of current tax and deferred tax.

		As at 31 March 2021	As at 31 March 2020
27.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	27.73	83.04

28. Leases

The lease arrangements for the Company are in respect of the office premises, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases of Rs.356.90 Lakhs [31 March 2020 : Rs.535.76 Lakhs] are recognized as an expense on a straight-line basis over the lease term.

		As at 31 March 2021	As at 31 March 2020
29.	**Contingent Liabilities**		
A	Claims against the Company not acknowledged as debt		
i	Disputed income tax matters [Refer Note 29.1]	2,078.27	1,935.43
ii	Disputed service tax liability for which the Company preferred appeal	947.19	947.92
iii	Disputed interest liability on service tax for which the Company preferred appeal	Not Ascertained	Not Ascertained
iv	Demand from EPFO for which the Company preferred appeal	193.79	193.79
v	Others [Refer Note 29.2]	24,974.00	21,463.40

29.1 Disputed income tax matters

The income tax appeals for assessment years from 2002-03 to 2009-10 have been decided by the Hon'ble Income Tax Appellate Tribunal ("ITAT") in favour of the Company. Consequential orders determining the refund due have been received up to assessment years 2008-09 necessary adjustments have been made to reflect reversal of tax provision created for these years and the advance tax in the financial statements.

For AY 2010-11 and 2011-12 the Hon'ble ITAT remanded case back to the Transfer Pricing Officer for fresh adjudication. For AY 2009-10, the TPO/AO passed consequential orders giving the relief per the ITAT order. However, new issue which was not part of original proceedings, has led to a new demand. The issue relating to TP adjustment of commission had been decided in favour of the Company in earlier years and hence, no provision for tax is made in respect of the demand raised. The Company had filed appeal before Hon'ble CIT. The consequential order for AY 11-12 is awaited.

For AY 2012-13, the assessment was reopened u/s147 w.r.t. reversal of commission paid for FY 2006-07 to 2011-12 to the profit and loss account. The reversal consisted commission disallowed in earlier years by the Company and offered to tax for AY 2010-11 and AY 2011-12. CIT has given relief to this extent which resulted in refund. Both the Company and the department are in appeal before the Hon'ble ITAT.

For AY 2016-17 and 2017-18, the matters relate to TP adjustment of ITES and Interest, disallowance of reimbursement of expenses to certain residents and non-residents for non-deduction of TDS. The first issue was decided in favour of the Company and the second issue is remanded back. The consequential orders were passed accordingly. The Company will be filing appeal against the issue decided against the Company.

In respect of other assessment years, the Company is in appeal before the Hon'ble ITAT as the matters were decided against the Company by DRP. The disallowances relate to denial of internal comparable and interest chargeable on the outstanding amount from associate enterprise. No additional provision is considered as the issues are covered in favour of the Company.

29.2 Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd ("Satyam") and Venture Global Engineering LLC US ("Venture"). The joint venture partners entered into a Shareholders' Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration ("LCIA") by invoking the arbitration clause in the SHA. Satyam's claims were upheld by the LCIA in its award dated April 2006 ("the Award"). Since then both the joint venture partners have raised numerous claims against each other resulting in multiple legal proceedings both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of Rs.3,594.07 Lakhs be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of Rs.5,291.41 Lakhs as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the aforesaid matter and adjustments to the financial statements if any, to be made on final disposal of legal proceedings.

Subsequent to the adoption of accounts by the Board, the Company was served a suit filed by Venture before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders were passed by the City Civil Court , directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture . The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon'ble High Court of Andhra Pradesh ("the High Court").

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The Hon'ble Bench of Supreme Court, in view of the difference of opinion by an order dated November 1, 2017 has directed the registry to place the SLP's before the Chief Justice of India for appropriate further course of action.

The Company has not modified the provision for contingencies amounting to Rs.5,291.41 Lakhs as on 31 March 2012. The Company has also disclosed an amount of Rs.24,974.00 Lakhs [31 March 2020: Rs.21,463.40 Lakhs] as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended 31 March 2021 by way of abundant caution notwithstanding the Board's view that there is no need to accrue sales commission since Venture did not provide any services to the Company.

30. Preparation of financial statements:

At the Annual General Meetings of the Company, one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended 31 March 2012 to 2020. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the year ended 31 March 2021 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

31. Employee benefit plans

31.1 Defined Contribution Plan

The Company makes contributions to Provident and other Fund which is a defined contribution plans for qualifying employees. Under these Scheme, the Company contributes a specified percentage of the payroll costs to the respective funds. The Company has recognized Rs.486.49 Lakhs [31 March 2020 : Rs.537.51 Lakhs] as an expense in the Statement of Profit and Loss.

31.2 Defined Benefit Plan

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risks commonly affecting the liabilities and the financial results are expected to:

a) Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c) For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase, then the liability will tend to fall as fewer employees reach vesting period.

I The Principal Assumptions used for the purposes of the actuarial valuation as follows

	Details	**31/Mar/2021**	**31/Mar/2020**
1	Discount Rate(s)	6.30%	7.00%
2	Expected Rate(s) of salary increase	4% for first year, 9% there after	9.00%
3	Demographic Assumptions		
	Mortality Rate	Indian Assured lives Mortality (2006-08) Ult.	Indian Assured lives Mortality (2006-08) Ult.
	Withdrawal Rate Age: 21-44		2.00%
	Withdrawal Rate Age: 45-57		1.00%
	For Offshore Employees:		
	Withdrawal Rate Service: 0-10	10.00%	
	Withdrawal Rate Service: >10	15.00%	
	Onsite Employees:	10.00%	

II Disclosure of defined benefit cost :

	Details	**Year ended 31 March 2021**	**Year ended 31 March 2020**
A	**Amounts Recognised in statement of Profit & Loss**		
1	Current Service Cost	253.50	195.23
2	Past service cost - plan amendments	-	-
3	Curtailment cost / (credit)	-	-
4	Settlement cost / (credit)	-	-
5	Service Cost	253.50	195.23
6	Net interest on net defined benefit liability / (asset)	90.69	77.35
7	Immediate recognition of (gains)/losses - other long term employee benefit plans	-	-
8	Cost of Termination Benefits	-	-
9	Cost recognised in P&L	344.19	272.59
B	**Amounts Recognised in Other Comprehensive Income (OCI)**		
1	Actuarial (gain)loss due to DBO experience	(42.88)	(40.29)
2	Actuarial (gain)loss due to DBO assumption changes	(266.47)	106.52
3	Actuarial (gain)loss arising during the period	(309.35)	66.23
4	Return on plan assets (Greater)/Less than discount rate	-	-
5	Actuarial (gains)/losses recognised in OCI	(309.35)	66.23
6	Adjustment for limit on net asset	-	-
7	Cumulative Actuarial (Gain)/ Loss Recognised via OCI at Prior Period End	-	-
8	Cumulative Actuarial (Gain)/ Loss Recognized via OCI at Current Period End	(309.35)	66.23
C	**Defined benefit cost**		
1	Service Cost	253.50	195.23
2	Net interest on net defined benefit liability / (asset)	90.69	77.35
3	Actuarial (gains)/losses recognised in OCI	(309.35)	66.23
4	Immediate recognition or (gains)/losses - other long term employee benefit plans	-	-
5	Defined Benefit Cost	34.84	338.82

III Changes in benefit obligation and assets

	Details	Year ended 31 March 2021	Year ended 31 March 2020
A.	**Changes in defined benefit obligation:**		
1	Defined benefit obligation(DBO) at the end of prior period	1,325.92	1,048.48
2	Current service cost	253.50	195.23
3	Interest cost on the DBO	90.69	77.35
4	Curtailment (credit)/ cost	-	-
5	Settlement (credit)/ cost	-	-
6	Past service cost - plan amendments	-	-
7	Acquisitions (credit)/ cost	-	-
8	Actuarial (gain)/loss - experience	(42.88)	(40.29)
9	Actuarial (gain)/loss - demographic assumptions	(269.19)	-
10	Actuarial (gain)/loss - financial assumptions	2.72	106.52
11	Benefits paid directly by the Company	(60.76)	(61.38)
12	Benefits paid from plan assets	-	-
13	DBO at end of current period	1,300.00	1,325.92
B.	**Changes in fair value of assets:**		
1	Fair value of assets at end of prior period	-	-
2	Acquisition adjustment	-	-
3	Interest income on plan assets	-	-
4	Employer contributions	-	-
5	Return on plan assets greater/(lesser) than discount rate	-	-
6	Benefits paid	-	-
7	Fair Value of assets at the end of current period	-	-

IV Additional Disclosures

		31 March 2021	31 March 2020
A.	**Expected benefit payments for the period ending**		
	2022 (PY 2021)	151.14	165.40
	2023 (PY 2022)	142.69	20.10
	2024 (PY 2023)	150.63	31.06
	2025 (PY 2024)	178.97	32.70
	2026 (PY 2025)	206.94	63.65
	2027 to 2031(PY 2026 to 2030)	1,056.82	619.19
B.	**Current and Non current breakup**		
	Current liability	146.60	159.90
	Non current liability	1,153.41	1,166.03
	Total Liability	**1,300.00**	**1,325.92**

V Sensitivity Analysis

	Details	As at 31 March 2021	As at 31 March 2020
A	**Discount rate**		
	Discount rate as at period end	6.30%	7.00%
	Effect on DBO due to 0.5% increase in discount rate	(47.00)	(89.68)
	Effect on DBO due to 0.5% decrease in discount rate	50.33	99.62

	Details	As at 31 March 2021	As at 31 March 2020
B	**Salary escalation rate**		
	Salary escalation rate as at period end	4% for first year, 9% Thereafter	9.00%
	Effect on DBO due to 0.5% increase in salary escalation rate	50.34	95.70
	Effect on DBO due to 0.5% decrease in salary escalation rate	(47.60)	(87.79)
C	**Withdrawal Rate**		
	Withdrawal rate as at year end		21 - 44 years 2% 45 - 57 years 1%
	Withdrawal rate as at year end		
	For Offshore Employees:		
	Withdrawal Rate Service: 0-10	10.00%	
	Withdrawal Rate Service: >10	15.00%	
	Onsite Employees:	10.00%	
	Effect on DBO due to 5% increase in withdrawal rate	(76.81)	(140.12)
	Effect on DBO due to 5% decrease in withdrawal rate	133.11	74.19

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

32. Related Party Transactions

32.1 Following is the list of related parties and their relationships

A. Joint Venture Partner

1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Subsidiaries

3. Satyam Venture Engineering Services (Shanghai) Co. Ltd
4. Satven GmbH

C. Enterprise having significant influence over Tech Mahindra Limited

5. Mahindra & Mahindra Ltd

D. Under control of Tech Mahindra Limited

6. Tech Mahindra GmbH
7. Tech Mahindra Foundation

E. Under control of Venture Global Engineering LLC

8. Jiangyin Venture Interior System
9. Venture Diversified Products
10. Venture Mould & Engg Co
11. Venture Otto South Africa (Prop) Ltd
12. Venture Auto Design(Shanghai)Co. Ltd

F. Key Managerial Personnel

13. Rao S Vadlamudi - Chief Executive Officer
14. Srinivas Chakravarthi Ramancherla - Chief Financial Officer
15. Aradhana Rewatkar - Company Secretary

32.2 Related party transactions during the year are as follows:

	31 March 2021	31 March 2020
Tech Mahindra Limited		
Revenue	3,293.80	5,813.76
Reimbursement of Expenditure	47.07	118.26
Tech Mahindra GmbH		
Revenue	132.03	188.10
Satyam Venture Engineering Services (Shanghai) Co. Ltd		
Revenue	318.19	294.09
Advance given during the year	-	17.40
Satven GmbH		
Other Income	-	0.02
Reimbursement of Expenditure & Interest	-	0.02
Advance given/(repaid) during the year	15.38	-
Mahindra & Mahindra Ltd.		
Revenue	132.93	206.64
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	64.70	64.00
Remuneration to Key Managerial Personnel	191.00	190.22
Staff Loan/Salary Advance Repaid during the period	15.38	8.55
Balances written off during the year		
Jiangyin Venture Interior Systems	-	9.53
Venture	-	6.81
Venture Diversified Products	-	2.62
Venture Mould & Engg.Co	-	(0.27)
	As at 31 March 2020	**As at 31 March 2019**
Debit balances outstanding		
Tech Mahindra Limited	2,709.00	3,071.73
Tech Mahindra GmbH	132.03	24.81
Satyam Venture Engineering Services (Shanghai) Co. Ltd	99.45	97.91
Mahindra & Mahindra Ltd	35.66	70.32
Venture Otto South Africa (Prop) Ltd	-	9.26
Staff Loan due from Managerial Personnel	0.83	-
Credit balances outstanding		
Satven GmbH	-	3.31

33. Significant changes in the contract assets balances on fixed price development contracts

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Opening Balance	-	-
Add: Revenue recognised during the reporting period	34.80	-
Less: Invoiced during the period	-	-
Add/Less: Translation loss/(gain)	-	-
Add/Less: Others	-	-
Closing Balance	**34.80**	**-**

34. Segment Information

34.1 Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, engineering services.

34.2 Geographical information

The Company operates in seven principal geographical areas - India (country of domicile), United States of America (USA), Europe, Canada, Australia, South Africa and Asia Pacific comprising of China, Japan, Mexico and Singapore

The Company's revenue and Non-Current Assets from continuing operations from customers by location of operations are detailed below:

	Revenue		Non-Current Assets	
	Year ended 31 March 2021	Year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
India	**12,769.02**	**14,564.46**	**9,004.44**	**9,156.39**
USA	12,066.54	12,520.10	293.24	346.58
Europe	2,657.85	3,114.01	118.94	21.00
Asia Pacific	5,488.92	7,143.55	966.25	799.31
Canada	8.77	24.82	-	-
Australia	-	93.93	-	-
Other	716.26	638.25	2.04	2.40

34.3 Information about major customers

Revenue arising from sales of Automotive Engineering Services consits of about 60 customers base and out of them 10 customers contribute 80% of revenue.

35 Financial Instruments

Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Financial Risk Management

The Company's activities are exposed to liquidity and market risks. The Company's senior management has the overall responsibility for establishing and governing the company's risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

Financial Instruments by category

TThe carrying value and fair value of financial instruments by categories as of 31 March 2021 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	2,335.02	2,335.02	2,335.02
Other balances with banks	-	-	-	5,982.21	5,982.21	5,982.21
Trade receivables	-	-	-	6,841.82	6,841.82	6,841.82
Investments (Other than in subsidiaries)	9,528.62	-	-	-	9,528.62	9,528.62
Other financial assets	-	-	10.66	5,125.02	5,135.68	5,135.68
Total	**9,528.62**	**-**	**10.66**	**20,284.07**	**29,823.35**	**29,823.35**

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Liabilities						
Trade and other payables	-	-	-	546.54	546.54	546.54
Other financial liabilities	-	-	0.42	410.38	410.80	410.80
Total	**-**	**-**	**0.42**	**956.92**	**957.34**	**957.34**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	2,544.91	2,544.91	2,544.91
Other balances with banks	-	-	-	5,151.21	5,151.21	5,151.21
Trade receivables	-	-	-	7,739.17	7,739.17	7,739.17
Investments (Other than in subsidiaries)	5,677.67	-	-	-	5,677.67	5,677.67
Other financial assets	-	-	-	5,085.86	5,085.86	5,085.86
Total	**5,677.67**	**-**	**-**	**20,521.15**	**26,198.82**	**26,198.82**
Liabilities					-	-
Trade and other payables	-	-	-	841.69	841.69	841.69
Other financial liabilities	-	-	-	7.92	7.92	7.92
Total	**-**	**-**	**-**	**849.61**	**849.61**	**849.61**

The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled revenues, trade payables, and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Fair value hierarchy

The following table summarises financial asses and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level -1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments	9,528.62	-	-	5,677.67	-	-
Equity shares	-	-	943.67	-	-	943.67
Derivative financial assets	-	10.66	-	-	-	-
Total	**9,528.62**	**10.66**	**943.67**	**5,677.67**	**-**	**943.67**
Financial Liabilities						
Derivative financial liabilities	-	0.42	-	-	-	-
Total	**-**	**0.42**	**-**	**-**	**-**	**-**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company has several balances in foreign currency and consequently the company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affect on the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure and the unhedged foreign currency exposures outstanding at the end of reporting period is as under::

	Assets		Liabilities	
Currency	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
USD	3,725.82	5,231.96	574.00	460.03
JPY	1,130.25	2,326.62	251.81	409.24
Euro	782.44	958.27	45.09	138.76
CNY	99.45	96.66	-	-
GBP	146.64	244.70	12.60	59.31
Others	312.58	415.47	41.59	87.28

Forward Exchange Contracts

The Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to the Company's foreign currency Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward exchange contracts in USD exposure are USD to INR and for EUR exposure are EUR to INR. These contracts are for a period of two years.

The following are the various outstanding foreign currency to Indian currency forward contracts (Sell) entered into be the company which has been designated as cash flow hedges:

		Amount outstanding in Foreign currency		Fair Value Gain / (Loss)	
	Currency	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
Type of cover					
Forward	USD to INR	1.60	-	0.20	-
	EUR to INR	3.79	-	10.03	-

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Credit / (Debit) balance at the beginning of the year	-	-
Gain / (loss) net transferred to income statement on occurrence of forecasted hedge transaction	-	-
Changes in fair value of effective portion of cash flow derivative occurred during the year	-	-
Changes in fair value of effective portion of outstanding cash flow derivative	10.24	-
Tax impact on effective portion of outstanding cash flow derivative	-2.58	-
Credit/(Debit) balance at the end of the year	7.66	-

Credit Risk Management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The maximum exposure of the financial assets represents trade receivables.

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the entities having a strong credit worthiness. For doubtful receivables the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily are investment in liquid mutual fund units issued by institutions with high credit ratings.

Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

	As at 31 March 2021		As at 31 March 2020	
	Accounts payable and acceptances	**Other financial liabilities**	**Accounts payable and acceptances**	**Other financial liabilities**
Carrying amount	546.54	410.80	841.69	759.29
upto 1 year	546.54	410.80	841.69	759.29
More than 1 year	-	0.42	-	-
Total contracted cash flows	546.54	411.22	841.69	759.29

The table below provides details of financial assets:

	As at 31 March 2021	**As at 31 March 2020**
Trade receivables	6,841.82	7,739.17
Other financial assets	5,135.68	5,085.86

36. Pursuant to the order from Ministry of Corporate Affairs, Serious Fraud Investigation Office (SFIO) vide its letter dated January 9, 2009 carried out inspection of books of accounts and other records of the Company under Section 209A of the Act. Consequent to inspection, SFIO has filed a complaint in Economic Offences Court, Hyderabad ("the trial court") against the Company and the then directors. The Company has filed a writ petition in the Hon'ble High court of judicature at Hyderabad to quash the complaint of SFIO. The Hon'ble High Court has directed the trial court not to insist the appearance of directors for examination.

The Management at this juncture, does not foresee adjustments, if any, to be made in the financial statements of the Company.

37. Assessment of impact of Novel Corona Virus Disease (COVID 19)

As at the date of these Financial Statements, COVID 19 had spread across most of the world including India, China, Japan, Germany, UK, Mexico and the United States of America where the company has its operations. In assessing the recoverability of receivables including unbilled receivables, financial assets and contract costs and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, while some delays are expected in the collection, the Company expects to recover the carrying amount of these assets. Debtors realisation is good during the period, Apr-20 to Mar-21. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions. Considering the Company's present liquidity position and its customer / vendor relationships, the management of the Company is of the opinion that it would be able to discharge its obligations. However, the Company expects that revenues for FY22 may be impacted.

38. Earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follow.

	Year ended 31 March 2021	Year ended 31 March 2020
Profit for the year attributable to owners of the Company	3,758.40	4,747.77
Earnings used in the calculation of basic earnings per share	3,758.40	4,747.77
Weighted average number of equity shares outstanding during the year	7,088,960	7,088,960
Face Value of Equity Shares - Rs.	10	10
Basic and Diluted Earnings per Share *	53.02	66.97

* The Company has no potential dilutive instruments

39. Corporate social responsibility

	Year ended 31 March 2021	Year ended 31 March 2020
Average net profit of the company for last three financial years	3,362.02	3,234.51
Prescribed CSR expenditure to be spent (2% of the average net profits)	67.30	64.69
Amount spent during the period on		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than above	67.30	64.70

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

G.Jayaraman
Director
DIN: 01461157

Rakesh Soni
Director
DIN: 02973741

V.Venkata Kumar Raju
Director
DIN: 02958816

J.Venkateswarlu
Director
DIN: 00051001

Krishna Kumari Palle
Director
DIN:08011919

C.Subramanyam Reddy
Director
DIN: 07089237

Venkateswara Rao Gajjala
Director
DIN:08733877

Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, 16 April 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of
Satyam Venture Engineering Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Satyam Venture Engineering Services Private Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, the consolidated profit, the consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows and for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India ("ICAI") and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following notes in the consolidated financial statements:

a) Note 29.2 regarding reckoning of Rs.24,974 Lakhs as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from 01 April 2012 to 31 March 2021 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage; and

b) Note 30 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of earlier years which have not been adopted by the shareholders.

Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.1,726.40 Lakhs and net assets of Rs.1,544.70 Lakhs as at 31 March 2021, total revenues of Rs.1,328.77 lakhs and net cash inflows amounting to Rs.53.93 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;

   (e) the matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Group;

   (f) on the basis of written representations received from the directors of the Holding Company as on 31 March 2021, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

   (h) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

   (i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other matter' paragraph:

      i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer note 29 to the consolidated financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021 except for the contingent liability described under note 29.2 for which provision is not made since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the Consolidated Financial Statements.; and

      iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021..

for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No.000459S

K.S. Mahidhar
Partner
Membership No.220881
UDIN : 21220881AAAADV9714
Hyderabad, 16 April 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Satyam Venture Engineering Services Private Limited ("the Holding Company"). The subsidiary companies are companies incorporated outside India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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. 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.

Opinion

In our opinion, the Holding 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 31 March 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 ICAI.

for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No.000459S

K.S. Mahidhar
Partner
Membership No.220881
UDIN: 21220881AAAADV9714
Hyderabad, 16 April 2021

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	630.63	597.55
(b) Other Intangible assets	5	597.60	754.72
(c) Financial assets			
(i) Other financial assets	6	2,794.67	1,277.63
(d) Deferred tax assets (net)	7	407.15	706.37
(e) Non-current tax assets (net)	9	5,077.60	6,070.88
(f) Other non-current asset	13	-	-
Total Non-Current Assets		9,507.65	9,407.15
Current Assets			
(a) Financial assets			
(i) Investments	8	9,528.62	5,677.67
(ii) Trade receivables	10	7,113.41	8,150.51
(iii) Cash and cash equivalents	11	3,438.02	3,593.98
(iv) Other bank balances	12	5,982.21	5,151.21
(v) Other financial assets	6	2,422.53	3,998.28
(b) Other current assets	13	952.78	1,164.86
Total Current Assets		**29,437.58**	**27,736.51**
Total Assets		**38,945.23**	**37,143.66**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	708.90	708.90
(b) Other equity	15	29,267.89	25,181.26
Total Equity		**29,976.79**	**25,890.16**
LIABILITIES			
Non-Current Liabilities			
(a) Other Financial Liabilities	18	0.42	-
(b) Provisions	16	1,461.31	1,655.28
Total Non-Current Liabilities		**1,461.73**	**1,655.28**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
(A) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		605.35	967.22
(ii) Other financial liabilities	18	412.43	764.26
(b) Other current liabilities	19	620.87	533.11
(c) Provisions	16	5,582.07	5,823.10
(d) Current tax liabilities (Net)	20	285.98	1,510.53
Total Current Liabilities		**7,506.71**	**9,598.22**
Total Equity and Liabilities		**38,945.23**	**37,143.66**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

G.Jayaraman
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Director
DIN:08733877

Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, 16 April 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Income from operations	21	34,717.95	40,728.88
Other income	22	1,784.96	1,940.84
Total Income		**36,502.91**	**42,669.72**
Expenses			
Sub contracting costs		150.23	299.53
Employee benefits expense	23	25,895.22	29,136.43
Finance costs		13.40	-
Depreciation and amortisation expense	24	857.07	782.41
Other expenses	25	4,485.06	5,542.22
Total Expenses		**31,400.99**	**35,760.59**
Profit before tax		5,101.92	6,909.12
Tax Expense	26		
Current tax		1,084.07	1,825.52
Earlier years tax		20.27	12.92
Deferred tax		218.79	186.03
Total tax expense		**1,323.13**	**2,024.46**
Profit for the year		3,778.79	4,884.66
Other comprehensive income / (loss)			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		309.35	(66.23)
Income tax on above items	26	(77.86)	16.67
		231.49	**(49.56)**
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations	15	68.68	55.83
Effective portion of gain / (loss) on Designated Portion of Hedging Instruments in a Cash Flow Hedge (net)		10.24	-
Income tax on above items	26	(2.58)	-
		76.34	**55.83**
Other comprehensive income / (loss) for the year		307.83	6.26
Total comprehensive income for the year		**4,086.62**	**4,890.93**
Total comprehensive income for the year attributable to:			
Owners of the Company		4,086.62	4,890.93
Non controlling interests		-	-
Earnings per equity share	38		
Basic and Diluted - (In Rs. per share)		53.31	68.91

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
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Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, 16 April 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Profit for the year	5,101.92	6,909.12
	Adjustments for		
	Interest income recognised in profit or loss	(414.03)	(391.16)
	Loss / (Profit) on sale of fixed assets	(0.83)	(3.83)
	Depreciation and amortisation of non-current assets	857.07	782.41
	Net (Gain) / Loss on sale of investments	(12.31)	(69.79)
	Net foreign exchange (gain) / loss	56.16	5.38
	Provision for doubtful receivables	0.30	18.70
	Fair value measurements	(364.04)	(335.39)
	Operating profit / (loss) before working capital changes	**5,224.26**	**6,915.46**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade Receivables	1,036.81	(545.92)
	Other Non-Current Assets	-	46.07
	Other Non-Current Financial Assets	3.17	57.61
	Other Current Financial Assets	1,545.17	(1,482.85)
	Other Current Assets	212.07	(196.79)
	Adjustments for increase / (decrease) in operating liabilities:		
	Other Non Current Financial Liabilities	-	-
	Non-Current Provisions	(193.97)	358.56
	Trade Payables	(361.88)	183.20
	Current Provisions	137.00	89.79
	Other Financial Liabilities	(351.83)	329.20
	Other Current Liabilities	87.76	(98.65)
	Cash generated from operations	**7,338.55**	**5,655.68**
	Income Tax paid (Net)	(1,335.60)	(2,517.51)
	Net cash flow from / (used in) operating activities (A)	**6,002.95**	**3,138.17**
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment (including Capital Work in Progress)	(727.48)	(1,074.58)
	Proceeds from disposal of property, plant and equipment	(4.71)	13.91
	Bank balances (Deposits) not considered as cash and cash equivalents		
	- Placed	(7,502.89)	(4,826.10)
	- Matured	5,162.34	3,066.84
	Current Investments		
	- Purchased	(5,899.80)	(6,178.00)
	- Proceeds from sale / redemption	2,425.19	5,573.32
	Interest received	444.61	266.13
	Net cash flow used in investing activities (B)	**(6,102.75)**	**(3,158.49)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
C.	**Cash flow from financing activities**	-	-
	Net cash flow from / (used in) financing activities (C)	-	-
	Net increase / (decrease) in cash and cash equivalents	(99.79)	(20.33)
	Cash and cash equivalents at the beginning of the year	**3,593.98**	**3,619.68**
	Effect of exchange difference on cash and cash equivalents held in foreign currency	(56.16)	(5.38)
	Cash and cash equivalents at the end of the year	**3,438.02**	**3,593.97**

See accompanying notes to the financial statements

In terms of our report attached	**for and on behalf of the Board of**		
for M. Bhaskara Rao & Co.	Satyam Venture Engineering Services Private Limited		
Chartered Accountants	CIN: U72200TG2000PTC033213		
	G.Jayaraman Director DIN: 01461157	**Rakesh Soni** Director DIN: 02973741	**V.Venkata Kumar Raju** Director DIN: 02958816
K.S.Mahidhar Partner	**J.Venkateswarlu** Director DIN: 00051001	**Krishna Kumari Palle** Director DIN:08011919	**C.Subramanyam Reddy** Director DIN: 07089237
	Venkateswara Rao Gajjala Director DIN:08733877	**Rao.S.Vadlamudi** CEO	**Srinivas R** CFO
Hyderabad, 16 April 2021			**Aradhana R.** Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

A. Equity Share Capital	**Amount**
Issued and paid up equity share capital	
Balance as at 31 March 2019	708.90
Changes in equity share capital during the year	-
Balance as at 31 March 2020	708.90
Changes in equity share capital during the year	-
Balance as at 31 March 2021	708.90

B. Other Equity

Particulars	Reserves & Surplus		Items of other comprehensive income / (loss)			Total
	General Reserve	Retained Earnings	Reameasurement of defined benefit plan	Exchange differences in translating the financial statements of foreign operations	Cash Flow Hedge Reserve	
Balance as at 31 March 2019	**12.50**	**20,206.62**	**67.02**	**4.19**	**-**	**20,290.34**
Profit for the year	-	4,884.66	-	-	-	4,884.66
Other Comprehensive Income (net of tax)	-	-	(49.56)	55.83	-	6.26
Total comprehensive income for the year	**-**	**4,884.66**	**(49.56)**	**55.83**	**-**	**4,890.93**
Balance as at 31 March 2020	**12.50**	**25,091.28**	**17.46**	**60.02**	**-**	**25,181.26**
Profit for the year	-	3,778.79	-	-	-	3,778.79
Other Comprehensive Income (net of tax)	-	-	231.49	68.68	7.66	307.83
Total comprehensive income for the year	**-**	**3,778.79**	**231.49**	**68.68**	**7.66**	**4,086.63**
Balance as at 31 March 2021	**12.50**	**28,870.07**	**248.95**	**128.70**	**7.66**	**29,267.89**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

K.S.Mahidhar
Partner

for and on behalf of the Board of
Satyam Venture Engineering Services Private Limited
CIN: U72200TG2000PTC033213

G.Jayaraman
Director
DIN: 01461157

Rakesh Soni
Director
DIN: 02973741

V.Venkata Kumar Raju
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Director
DIN: 07089237

Venkateswara Rao Gajjala
Director
DIN:08733877

Rao.S.Vadlamudi
CEO

Srinivas R
CFO

Aradhana R.
Company Secretary

Hyderabad, 16 April 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

1. Corporate Information

Satyam Venture Engineering Services Private Limited ("the Company") was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL was merged with Tech Mahindra Limited in the year 2013,consequent to a scheme of amalgamation and arrangement as approved by the Hon'ble High Court of Judicature Andhra Pradesh and Hon'ble High Court of Bombay.

The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom,Japan and Mexico.

The Consolidated financial statements reflect the results of its operations carried on by Indian operations, overseas branches and its subsidiaries incorporated in China and Germany, collectively referred to as the "Group".

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised to issue on 16 April 2021.

2. Significant accounting policies:

2.1 Statement of Compliance:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter.

2.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of Consolidation:

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

2.4 Use of Estimates:

The preparation of financial statements requires the management of the Group to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.5 Property, Plant & Equipment and Other Intangible assets:

Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation/ amorisation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on Property, Plant & Equipment and other intangible assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible Assets – Software	License period or 3 years whichever is lower

The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.6 Leases:

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Group as a lessee :

The Parent and its subsidiaries assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right- of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Group applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

2.7 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss

2.8 Revenue recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services are either on a time bound fixed price or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for engineering services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering engineering services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price.

For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for volume discounts and pricing incentives, if any, to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones

Invoicing in excess of earnings are classified as unearned revenue

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

2.9 Foreign currency transactions:

The functional currency of the Company and its Indian subsidiaries is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

2.10 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.11 Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

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

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and 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.

ii) Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/ option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/ losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in effective portion of cash flow hedges is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in effective portion of cash flow hedges is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged,cancelled or have expired.

2.12 Employee Benefits:

a) Gratuity:

The Group accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company and its Indian subsidiaries.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund:

The eligible employees of the Company and its Indian subsidiaries are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company and its Indian subsidiaries make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company and its Indian subsidiaries.

The Company and its Indian subsidiaries has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences:

The Group provides for the encashment of leave subject to Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company and its Indian subsidiaries, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries. The Company does not expect the difference on account of varying methods to be material.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

d) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.13 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income 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.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.14 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued if any, during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless issued at a later date.

2.15 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

3 Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future , and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Useful lives of property, plant and equipment:

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes:

Some of the Company’s assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for doubtful receivables:

The Company has adopted expected credit loss model for provisioning of receivables,apart from this the company also monitors long outstanding balances and make additional provision where required.

Provision for employee benefits:

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period . These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes:

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

		As at 31 March 2021	As at 31 March 2020
4.	**Property, Plant and Equipment**		
	Carrying amounts of		
	Plant and Equipment	517.72	421.89
	Office Equipments	51.07	67.12
	Furniture and Fixtures	41.64	77.98
	Vehicles	20.20	30.56
		630.63	**597.55**
5.	**Other Intangible assets**		
	Carrying amounts of:		
	Computer Software	597.60	754.72
	(other than internally generated)		
	Total	**597.60**	**754.72**

4A Property, Plant and Equipment

	Gross Block (At Cost)					Depreciation / Amortisation					Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2021	Upto 01 April 2020	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2021	As at 31 March 2021
Tangible Assets											
Plant and Machinery	2,087.78	390.15	19.77	0.11	2,458.27	1,665.72	292.25	17.70	-0.28	1,939.99	518.28
Office Equipment	405.22	25.99	13.34	-	417.88	338.10	42.23	13.52	-	366.81	51.07
Furniture, Fixtures & Interiors	392.40	5.93	15.02	-	383.31	314.42	46.03	18.78	-	341.67	41.64
Vehicles	52.51	0.86	-	-	53.37	21.95	11.22	-	-	33.17	20.20
Total	**2,937.91**	**422.94**	**48.13**	**0.11**	**3,312.83**	**2,340.19**	**391.73**	**49.99**	**-0.28**	**2,681.65**	**631.19**

	Gross Block (At Cost)					Depreciation / Amortisation					Net Block
	As at 1 April 2019	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2020	Upto 01 April 2019	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	"Upto 31 March 2020"	As at 31 March 2020
Tangible Assets											
Plant and Machinery	1,863.78	403.60	179.66	0.06	2,087.78	1,613.84	221.60	169.61	-0.10	1,665.72	422.06
Office Equipment	375.88	50.84	21.50	-	405.22	314.94	44.64	21.48	-	338.10	67.12
Furniture, Fixtures & Interiors	337.90	86.57	32.07	-	392.40	296.70	49.79	32.07	-	314.42	77.98
Vehicles	32.77	33.43	13.69	-	52.51	32.77	2.87	13.69	-	21.95	30.56
Total	**2,610.33**	**574.45**	**246.93**	**0.06**	**2,937.91**	**2,258.25**	**318.90**	**236.85**	**-0.10**	**2,340.19**	**597.72**

5A Other Intangible assets

	Gross Block (At Cost)					Depreciation / Amortisation					Net Block
	As at 1 April 2020	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2021	Upto 01 April 2019	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2021	As at 31 March 2021
Software	4,915.61	304.54	222.91	-	4,997.25	4,160.89	465.35	226.59	-	4,399.64	597.60
Total	**4,915.61**	**304.54**	**222.91**	**-**	**4,997.25**	**4,160.89**	**465.35**	**226.59**	**-**	**4,399.64**	**597.60**

	Gross Block (At Cost)					Depreciation / Amortisation					Net Block
	As at 1 April 2019	Additions	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Balance as at 31 March 2020	Upto 01 April 2019	For the year	Deletion / Adjustment	Effect of Foreign Currency Exchange Differences	Upto 31 March 2020	As at 31 March 2020
Software	4,403.06	512.55		-	4,915.61	3,697.37	463.52		-	4,160.89	754.72
Total	**4,403.06**	**512.55**	**-**	**-**	**4,915.61**	**3,697.37**	**463.52**	**-**	**-**	**4,160.89**	**754.72**

	As at 31 March 2021	As at 31 March 2020
6. Other financial assets measured at amortised cost		
I. Non-Current		
(Unsecured, considered good)		
Other bank balances - in deposit accounts	2,380.31	871.07
Security Deposits [Refer note 6.1]	403.71	406.56
Foreign Currency Derivative Assets	10.66	-
Total	**2,794.67**	**1,277.63**
II. Current		
(Unsecured, considered good)		
Unbilled revenue	2,231.04	3,776.21
Interest Receivable on deposits	191.49	222.07
Total	**2,422.53**	**3,998.28**

6.1 Include deposit of Rs.67.83 Lakhs [31 March 2020 : Rs.67.83 Lakhs] with CGITCLC and Rs.58.24 Lakhs [31 March 2020: Rs.58.24 Lakhs] with CESTAT in respect of the ongoing disputes [Refer note 29A(ii) & (iv)]

	As at 31 March 2021	As at 31 March 2020
7. Deferred tax assets (Net)		
Deferred tax assets	668.12	785.09
Deferred tax liabilities	(260.97)	(78.71)
Total	**407.15**	**706.37**

7.1 The tax effect of significant temporary differences that has resulted in deferred tax assets are given below:

	For the year ended 31 March 2021			
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Closing balance**
Property, plant and equipment and Intangible assets	242.49	0.79		243.29
Provision for doubtful debts	13.64	(13.64)		-
Provision for defined benefit obligations	522.25	(26.26)	(77.86)	418.13
ICDS Adjustments: Interest on Income Tax	-	(99.19)		(99.19)
Cash Flow Hedging Reserve	-	-	(2.58)	(2.58)
Fair value gain on Mutual funds	(78.71)	(80.50)		(159.21)
Exchange difference in translating the financial statements of foreign operations	6.71		-	6.71
Net Deferred Tax Assets	**706.37**	**(218.79)**	**(80.43)**	**407.15**

	For the year ended 31 March 2020			
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Closing balance**
Property, plant and equipment and Intangible assets	322.72	(80.23)	-	242.49
Provision for doubtful debts	19.07	(5.43)	-	13.64
Provision for defined benefit obligations	577.87	(72.30)	16.67	522.25
Fair value gain on Mutual funds	(50.64)	(28.07)	-	(78.71)
Exchange difference in translating the financial statements of foreign operations	6.71	-	-	6.71
Net Deferred Tax Assets	**875.73**	**(186.03)**	**16.67**	**706.37**

8. Investments

		As at 31 March 2021		As at 31 March 2020	
		Units	Amount	Units	Amount
I	**Current Investments**				
A	**Investment in Mutual Funds - quoted (at fair value)**				
	ICICI Prudential Savings Fund- Growth	193994	807.02	243602	943.59
	ICICI Prudential Savings Fund - DP Growth	972995	4,083.55	980628	3,828.08
	ICICI Prudential Liquid Fund - DP Growth	429269	1,308.14	129682	380.98
	ICICI Prudential Overnight Fund - DP Growth	3000422	3,329.91	487263	525.02
			9,528.62		**5,677.67**
(a)	Aggregate amount of quoted investments and market value thereof;		9,528.62		5,152.65
(b)	Aggregate amount of unquoted investments		-		-
(c)	Aggregate amount of impairment in value of investments		-		-

		As at 31 March 2021	As at 31 March 2020
9.	**Non-current tax assets (net)**		
	Advance income tax and tax deducted at source	5,077.60	6,070.88
	(net of provisions Rs.11,422.07 Lakhs [31 March 2020: Rs.11,954.65 Lakhs])		
	Total	**5,077.60**	**6,070.88**
10.	**Trade receivables**		
	(a) Considered good - Secured	-	-
	(b) Considered good - Unsecured	7,113.41	8,150.51
	(c) Receivables which have significant increase in credit risk	-	-
	(d) Credit impaired	-	54.19
	Less: provision for expected credit loss	-	(54.19)
	Total	**7,113.41**	**8,150.51**
10.1	**Of the above, trade receivables from:**		
	(a) Related parties [Refer note 31]	2,134.91	2,134.42
	(b) Others	4,978.50	6,016.09
	Total	**7,113.41**	**8,150.51**
10.2	**Classification of trade receivables**		
	Non-Current	-	-
	Current	7,113.41	8,150.51
	Total	**7,113.41**	**8,150.51**

10.3 Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for trade receivables (other than receivables from realted parties) that do not constitute a financing transaction. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Before accepting any new customer, the Company assesses the potential customer's credit quality.

The Average credit period on Sale of Services 60 days .

	As at 31 March 2021	As at 31 March 2020
Age of Trade Receivables		
Age of receivables		
a) Within the credit period	5,698.18	6,980.09
b) less than 180 days past due	1,324.42	1,150.98
c) More than 180 days past due and less than 365 days	19.65	19.94
d) More than 1 year	71.15	53.70

10.4 Movement in the allowance for expected credit loss

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	54.19	245.88
Add: Allowance for expected credit loss	0.30	18.70
Less: Provision write back	-	191.44
Less: Receivables written off	54.49	18.95
Balance at the end of the year	-	54.19

11. Cash and cash equivalents

Balances with Banks		
(a) with Scheduled banks		
in Current account	879.73	291.00
in Deposit account	869.00	40.00
(b) with Other banks		
in Current account	1,689.30	3,262.79
Cash on hand	-	0.19
Total	**3,438.02**	**3,593.98**

12. Other Bank Balances

Balances with Banks		
with Scheduled banks		
in Deposit account	5,982.21	5,151.21
Total	**5,982.21**	**5,151.21**

13. Other assets

I. Non-Current		
(Unsecured, considered good)		
Capital advances	-	-
Total	**-**	**-**
I. Current		
(Unsecured, considered good)		
Prepaid expenses	460.84	644.92
Loans and Advances to Employees	102.95	224.30
Balance with government authorities	135.25	90.95
Contract assets [Refer note 33]	34.80	-
Others	218.95	204.68
Total	**952.78**	**1,164.86**

	As at 31 March 2021	As at 31 March 2020
13.1 Of the above, Other assets from:		
(a) Related parties [Refer note 31]	**0.83**	**-**
(b) Others	**951.96**	**1,164.86**
	952.78	**1,164.86**

14. Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amounts	Number of Shares	Amounts
Authorised Share Capital				
Equity share capital of Rs.10 each	7,500,000	750.00	7,500,000	750.00
Issued, Subscribed and Fully Paid up				
Equity share capital of Rs.10 each	7,088,960	708.90	7,088,960	708.90

14. 1Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amounts	Number of Shares	Amounts
Equity share capital of Rs.10 each				
Balance as at beginning of the year	7,088,960	708.90	7,088,960	708.90
Issued during the year	-	-	-	-
Balance as at end of the year	**7,088,960**	**708.90**	**7,088,960**	**708.90**

14. 2Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amounts	Number of Shares	Amounts
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	3,544,480	354.45	3,544,480	354.45
Venture Global Engineering Services LLC	3,544,480	354.45	3,544,480	354.45

14. 3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amounts	Number of Shares	Amounts
Equity shares of Rs.10 each fully paid held by				
Tech Mahindra Limited	3,544,480	50%	3,544,480	50%
Venture Global Engineering Services LLC	3,544,480	50%	3,544,480	50%

14. 4Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

		As at 31 March 2021	As at 31 March 2020
15.	**Other equity**		
	General Reserve	12.50	12.50
	Retained Earnings	28,870.07	25,091.28
	Other Components of Equity		
	Remeasurement of the defined benefits plans	248.96	17.46
	Exchange difference in translating the financial statements of foreign operations (Net of tax)	128.70	60.02
	Cash Flow Hedging Reserve (Net of tax)	7.66	-
	Total	**29,267.89**	**25,181.26**
15.1	**General Reserve [Refer note 15.4]**		
	Balance at beginning of year	12.50	12.50
	Movement during the year	-	-
	Balance at end of year	**12.50**	**12.50**
15.2	**Retained Earnings [Refer note 15.5]**		
	Balance at beginning of year	25,091.28	20,206.62
	Profit attributable to owners of the Company	3,778.79	4,884.66
	Balance at end of year	**28,870.07**	**25,091.28**
15.3	**Other Components of Equity**		
a)	**Remeasurement of the defined benefits plans [Refer note 15.6]**		
	Opening balance	17.46	67.02
	Movement during the year (Net of tax)	231.49	(49.56)
	Balance at end of year	**248.96**	**17.46**
b)	**Exchange difference in translating the financial statements of foreign operations [Refer note 15.7]**		
	Opening balance	60.02	4.20
	Movement during the year (Net of tax)	68.68	55.83
	Balance at end of year	**128.70**	**60.02**
c)	**Cash Flow Hedging Reserve [Refer note 15.8]**		
	Opening balance	-	-
	Movement during the year (Net of tax)	7.66	-
	Balance at end of period / year	**7.66**	**-**

15.4 The Company has transferred the amount from capital reserve upon fulfilment of the contribution attached to the investment subsidy received in earlier years.

15.5 Retained earning represents the Company's undistributed earnings after taxes..

15.6 It represents the actuarial gain / (loss) recognised on the defined benefit plan and will not be reclassified to retained earnings.

15.7 It represents the exchange difference accumulated when the foreign operations financial statements are converted from their functional currency to presentation currency of the Company.

15.8 It represents accumulated effective portion of changes in fair value of the derivative and will be transferred to statement of Profit and Loss upon occurance of related forcasted transaction.

		As at 31 March 2021	As at 31 March 2020
16.	**Provisions**		
I	**Non-Current**		
	Provision for Employee Benefits		
	Compensated Absences	307.90	489.25
	Gratuity	1,153.41	1,166.03
	Total	**1,461.31**	**1,655.28**
II	**Current**		
	Provision for Employee Benefits		
	Compensated Absences	144.06	371.79
	Gratuity	146.60	159.90
	Provision for Contingencies [Refer note 29.2]	5,291.42	5,291.42
	Total	**5,582.07**	**5,823.10**
17.	**Trade Payables**		
	Amounts due to micro and small enterprises (Refer note 18.2)	-	-
	Others	605.35	967.22
	Total	**605.35**	**967.22**

17.1 IIncludes Rs.Nil Lakhs [31 March 2020 : Rs.52.06 Lakhs] dues to related parties [Refer note 32]

17.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

a)	Principal amount remaining unpaid	Nil	Nil
b)	Interest due thereon	Nil	Nil
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
e)	Interest accrued and remaining unpaid	Nil	Nil
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil
		Nil	Nil
18.	**Other Financial Liabilities**		
I	**Non-Current**		
	Foreign Currency Derivatives Liabilities	0.42	-
		0.42	**-**
II	**Current**		
	Dues for Capital assets	6.58	7.92
	Accrued Salaries and Benefits	405.84	756.33
	Total	**412.43**	**764.26**

		As at 31 March 2021	As at 31 March 2020
19.	**Other Current Liabilities**		
	Statutory payables	620.87	533.11
	Total	**620.87**	533.11
20.	**Current tax liabilities**		
	Income tax payables	285.98	1,510.53
	(net of advance tax Rs.6,113.61 Lakhs [31 March 2020: Rs.3,367.01 Lakhs])		
	Total	**285.98**	**1,510.53**

		Year ended 31 March 2021	Year ended 31 March 2020
21.	**Income from operations**		
	Income from Services		
	- export of services	21,816.91	25,976.33
	- domestic services	12,769.02	14,564.46
	Other operating income	132.03	188.10
	Total	**34,717.95**	**40,728.88**
22.	**Other income**		
	Interest Income		
	Deposits with Banks (at amortised cost)	414.03	391.16
	Interest on Income Tax Refund	855.02	232.37
	Net Gain / (Loss) on sale of investments	12.31	69.79
	Profit on sale of assets (net)	0.83	3.83
	Forex gain/loss	-	590.38
	Fair value measurements	364.04	335.39
	Liability/Provisions no longer required written back	21.69	293.66
	Miscellaneous Income	117.05	24.27
	Total	**1,784.96**	**1,940.84**
23.	**Employee benefits expense**		
	Salaries and Bonus	24,973.47	28,139.38
	Contribution to Provident and Other Funds	486.49	537.51
	Gratuity	344.19	272.59
	Staff Welfare	91.07	186.95
	Total	**25,895.22**	**29,136.43**
24.	**Depreciation and amortisation expense**		
	On tangible assets	391.73	318.90
	On intangible assets	465.35	463.52
	Total	**857.07**	**782.41**
26.	**Other expenses**		
	Rent	396.78	571.68
	Rates and taxes	125.35	140.66
	Power and fuel	121.00	141.18

		Year ended 31 March 2021	Year ended 31 March 2020
	Travelling and Conveyance	720.01	1,502.48
	Communication	192.96	106.58
	Marketing expenses	53.41	155.73
	Repair and Maintenance	205.83	301.11
	Computer Hire Charges	369.13	65.07
	Security Services	55.35	47.69
	Recruitment, Training and Development	88.94	183.24
	General Office Expenses	9.05	28.33
	Legal and professional	543.44	737.60
	Provision for doubtful debts	0.30	18.70
	Bad Debts Written off	54.49	18.95
	Less: Provision	(54.49)	(18.95)
	Forex loss	340.85	-
	Office Maintenance	135.24	158.25
	Computer Maintenance	764.34	1,052.34
	Auditors' Remuneration (Refer note 25.1)	37.35	22.41
	Directors Sitting Fees	5.90	6.00
	CSR Expenses	67.30	64.70
	Bank Charges	61.62	32.53
	Miscellaneous expenses	190.91	205.94
	Total	**4,485.06**	**5,542.22**
25.1	**Auditors' remuneration includes**		
	for statutory audit	11.00	11.00
	for quarterly audit	3.00	3.00
	for tax audit	3.50	3.50
	for GST audit	7.50	-
	for other services	12.35	4.81
	for reimbursement of expenses	-	0.11
		37.35	**22.41**
26	**Income taxes relating to continuing operations**		
26.1	**Income tax recognised in profit or loss**		
	Current tax		
	In respect of the current year	1,084.07	1,825.52
	In respect of the prior years	20.27	12.92
		1,104.34	**1,838.43**
	Deferred tax		
	In respect of the current year	218.79	186.03
	Deferred tax reclassified from equity to profit or loss	-	-
		218.79	**186.03**

		Year ended 31 March 2021	Year ended 31 March 2020
26.2	**Reconciliation of income tax expense for the year to the accounting profit is as follows:**		
	Profit before tax from continuing operations	5,101.92	6,909.12
	Income tax expense calculated at 25.168%	1,284.05	1,738.89
	Effect of income that is exempt from tax	(0.21)	(0.96)
	Effect of expenses that are not deductible in determining taxable profit	(199.78)	87.59
		1,084.07	**1,825.52**
	Adjustment recognised in the current year in relation to the current tax of prior years	20.27	12.92
	Income tax expense recognised in profit or loss (relating to continuing operations)	1,104.34	1,838.43
26.3	**Income tax recognised in other comprehensive income**		
	Deferred tax arising on income and expenses recognised in other comprehensive income		
A.	**Items that will not be recycled to profit or loss**		
	Remeasurements of the defined benefit liabilities / (asset)	77.86	(16.67)
		77.86	**(16.67)**
B.	**Items that may be reclassified to profit or loss**		
	Exchange differences in translating the financial statements of foreign operations	-	-
		(16.67)	**19.21**

26.4 Current tax for the year ended 31 March 2021 includes tax expense with respect to foreign branches and Subsidaires amounting to Rs.395.93 Lakhs [Year ended 31 March 2020: Rs.139.75 Lakhs]..

26.5 The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws. Parent company has elected to claim benefit given under section 115BAA of Income tax Act,1961 and has applied tax rate of 22% for computation of current tax and deferred tax..

		As at 31 March 2021	As at 31 March 2020
27.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	27.73	83.04

28. Leases

The lease arrangements for the Company are in respect of the office premises, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.The lease payments associated with these leases of Rs.396.78 Lakhs [31 March 2020 : Rs.571.68 Lakhs] are recognized as an expense on a straight-line basis over the lease term.

		As at 31 March 2021	As at 31 March 2020
29.	**Contingent Liabilities**		
A	Claims against the Company not acknowledged as debt		
i	Disputed income tax matters [Refer Note 29.1]	2,078.27	1,935.43
ii	Disputed service tax liability for which the Company preferred appeal	947.19	947.92
iii	Disputed interest liability on service tax for which the Company preferred appeal	Not Ascertained	Not Ascertained
iv	Demand from EPFO for which the Company preferred appeal	193.79	193.79
v	Others [Refer Note 29.2]	24,974.00	21,463.40

29.1 Disputed income tax matters

The income tax appeals for assessment years from 2002-03 to 2009-10 have been decided by the Hon'ble Income Tax Appellate Tribunal ("ITAT") in favour of the Company. Consequential orders determining the refund due have been received up to assessment years 2008-09 necessary adjustments have been made to reflect reversal of tax provision created for these years and the advance tax in the financial statements.

For AY 2010-11 and 2011-12 the Hon'ble ITAT remanded case back to the Transfer Pricing Officer for fresh adjudication. For AY 2009-10, the TPO/AO passed consequential orders giving the relief per the ITAT order. However, new issue which was not part of original proceedings, has led to a new demand. The issue relating to TP adjustment of commission had been decided in favour of the Company in earlier years and hence, no provision for tax is made in respect of the demand raised. The Company had filed appeal before Hon'ble CIT. The consequential order for AY 11-12 is awaited.

For AY 2012-13, the assessment was reopened u/s147 w.r.t. reversal of commission paid for FY 2006-07 to 2011-12 to the profit and loss account. The reversal consisted commission disallowed in earlier years by the Company and offered to tax for AY 2010-11 and AY 2011-12. CIT has given relief to this extent which resulted in refund. Both the Company and the department are in appeal before the Hon'ble ITAT.

For AY 2016-17 and 2017-18, the matters relate to TP adjustment of ITES and Interest, disallowance of reimbursement of expenses to certain residents and non-residents for non-deduction of TDS. The first issue was decided in favour of the Company and the second issue is remanded back. The consequential orders were passed accordingly. The Company will be filing appeal against the issue decided against the Company.

In respect of other assessment years, the Company is in appeal before the Hon'ble ITAT as the matters were decided against the Company by DRP. The disallowances relate to denial of internal comparable and interest chargeable on the outstanding amount from associate enterprise. No additional provision is considered as the issues are covered in favour of the Company.

29.2 Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd ("Satyam") and Venture Global Engineering LLC US ("Venture"). The joint venture partners entered into a Shareholders' Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration ("LCIA") by invoking the arbitration clause in the SHA. Satyam's claims were upheld by the LCIA in its award dated April 2006 ("the Award"). Since then both the joint venture partners have raised numerous claims against each other resulting in multiple legal proceedings both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of Rs.3,594.07 be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of Rs.5,291.42 Lakhs as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the aforesaid matter and adjustments to the financial statements if any, to be made on final disposal of legal proceedings.

Subsequent to the adoption of accounts by the Board, the Company was served a suit filed by Venture before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders were passed by the City Civil Court , directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture . The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon'ble High Court of Andhra Pradesh ("the High Court").

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The Hon'ble Bench of Supreme Court, in view of the difference of opinion by an order dated November 1, 2017 has directed the registry to place the SLP's before the Chief Justice of India for appropriate further course of action.

The Company has not modified the provision for contingencies amounting to Rs.5,291.41 Lakhs as on 31 March 2012. The Company has also disclosed an amount of Rs.24,974.00 Lakhs [31 March 2020: Rs.21,463.40 Lakhs] as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the year ended 31 March 2021 by way of abundant caution notwithstanding the Board's view that there is no need to accrue sales commission since Venture did not provide any services to the Company.

30. Preparation of financial statements:

At the Annual General Meetings of the Company, one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the years ended 31 March 2012 to 2020. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the year ended 31 March 2021 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

31. Subsidiaries considered for consolidation

Name of the subsidiary	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2021	As at 31 March 2020
Satyam Venture Engineering Services (Shanghai) Co. Ltd	China	100%	100%
Satven GmbH	Germany	100%	100%

Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2021

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount in Rupees	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Satyam Venture Engineering Services Private Limited	94.85%	28,432.09	91.04%	3,440.21	93%	286.77	91.20%	3,726.99
Subsidiaries - Foreign								
Satyam Venture Engineering Services (Shanghai) Co. Ltd	3.68%	1,104.18	11.32%	427.93	5%	14.26	10.82%	442.19
Satven GmbH	1.47%	440.53	-2.36%	(89.35)	2%	6.79	-2.02%	-82.55
Total	**100.00%**	**29,976.79**	**100.00%**	**3,778.79**	**100%**	**307.83**	**100%**	**4,086.62**

Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2020

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount in Rupees	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Satyam Venture Engineering Services Private Limited	94.40%	24,439.36	91.18%	4,453.65	-175%	(10.98)	-84.16%	4,442.67
Subsidiaries - Foreign								
Satyam Venture Engineering Services (Shanghai) Co. Ltd	3.64%	941.13	7.81%	381.34	134%	8.37	141.47%	389.71
Satven GmbH	1.97%	509.66	1.02%	49.67	142%	8.87	142.69%	58.55
Total	**100.00%**	**25,890.16**	**100.00%**	**4,884.66**	**-**	**6.26**	**200.00%**	**4,890.93**

32. Related Party Transactions

32.1 Following is the list of related parties and their relationships

A. Joint Venture Partner

1. Tech Mahindra Limited
2. Venture Global Engineering LLC

B. Enterprise having significant influence over Tech Mahindra Limited

3. Mahindra & Mahindra Ltd

C. Under control of Tech Mahindra Limited

4. Tech Mahindra GmbH
5. Tech Mahindra Foundation

D. Under control of Venture Global Engineering LLC

6. Jiangyin Venture Interior System
7. Venture Diversified Products
8. Venture Mould & Engg Co
9. Venture Otto South Africa (Prop) Ltd
10. Venture Auto Design(Shanghai)Co. Ltd

E. Key Managerial Personnel

11. Rao S Vadlamudi - Chief Executive Officer

12 Srinivas Chakravarthi Ramancherla - Chief Financial Officer

13 Aradhana Rewatkar - Company Secretary

32.2 Related party transactions during the year are as follows:

	31 March 2021	31 March 2020
Tech Mahindra Limited		
Revenue	3,293.80	5,813.76
Reimbursement of Expenditure	47.07	118.26
Tech Mahindra GmbH		
Revenue	132.03	188.10
Mahindra & Mahindra Ltd.		
Revenue	132.93	206.64
Tech Mahindra Foundation		
Contribution made toward CSR Expenditure	67.30	64.70
Remuneration to Key Managerial Personnel	191.00	190.22
Staff Loan/Salary Advance Repaid during the period	15.38	8.55

	31 March 2021	31 March 2020
Balances written off during the period		
Jiangyin Venture Interior Systems	-	9.53
Venture	-	6.81
Venture Diversified Products	-	2.62
Venture Mould & Engg.Co	-	(0.27)

	As at 31 March 2021	As at 31 March 2020
Debit balances outstanding		
Tech Mahindra Limited	2,709.00	3,071.73
Tech Mahindra GmbH	132.03	24.81
Mahindra & Mahindra Ltd	35.66	70.32
Venture Otto South Africa (Prop) Ltd	-	9.26
Staff Loan due from Managerial Personnel	0.83	-

33 Significant changes in the contract assets balances on fixed price development contracts

	As at 31 March 2021	As at 31 March 2020
Opening Balance	-	-
Add: Revenue recognised during the reporting period	34.80	-
Less: Invoiced during the period	-	-
Add/Less: Translation loss/(gain)	-	-
Add/Less: Others	-	-
Closing Balance	**34.80**	**-**

34. Segment Information

34.1 Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, engineering services.

34.2 Geographical information

The Group operates in seven principal geographical areas - India (country of domicile), United States of America (USA), Europe, Canada, Australia, South Africa and Asia Pacific comprising of China, Japan, Mexico and Singapore

The Company's revenue and Non-Current Assets from continuing operations from customers by location of operations are detailed below:

	Revenue		Non-Current Assets	
	Year ended 31 March 2021	Year ended 31 March 2020	Period ended 30 September 2020	As at 31 March 2019
India	**12,769.02**	**14,564.46**	**8,108.63**	**8,219.43**
USA	12,066.54	12,520.10	293.24	346.58
Europe	3,379.88	4,965.03	136.36	30.75
Asia Pacific	5,777.48	7,922.30	967.39	807.99
Canada	8.77	24.82	-	-
Australia	-	93.93	-	-
Other	716.26	638.25	2.04	2.40

34.3 Information about major customers

Revenue arising from sales of Automotive Engineering Services and consists of 60 customers base and out of them 10 customers contribute 80% of revenue.

35 Financial Instruments

35.1 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Financial Risk Management

The Company's activities are exposed to liquidity and market risks. The Company's senior management has the overall responsibility for establishing and governing the company's risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	3,438.02	3,438.02	3,438.02
Other balances with banks	-	-	-	5,982.21	5,982.21	5,982.21
Trade receivables	-	-	-	7,113.41	7,113.41	7,113.41
Investments (Other than in subsidiaries)	9,528.62	-	-	-	9,528.62	9,528.62
Other financial assets	-	-	10.66	5,206.55	5,217.20	5,217.20
Total	**9,528.62**	**-**	**10.66**	**21,740.19**	**31,279.47**	**31,279.47**
Liabilities					-	-
Trade and other payables	-	-	-	605.35	605.35	605.35
Other financial liabilities	-	-	0.42	412.43	412.85	412.85
Total	**-**	**-**	**0.42**	**1,017.78**	**1,018.20**	**1,018.20**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 is as follows:

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortised cost	Total carrying value	Total fair value*
Assets						
Cash and cash equivalents	-	-	-	3,593.98	3,593.98	3,593.98
Other balances with banks	-	-	-	5,151.21	5,151.21	5,151.21
Trade receivables	-	-	-	8,150.51	8,150.51	8,150.51
Investments (Other than in subsidiaries)	5,677.67	-	-	-	5,677.67	5,677.67
Other financial assets	-	-	-	5,275.92	5,275.92	5,275.92
Total	**5,677.67**	**-**	**-**	**22,171.62**	**27,849.29**	**27,849.29**
Liabilities					-	-
Trade and other payables	-	-	-	967.22	967.22	967.22
Other financial liabilities	-	-	-	7.92	7.92	7.92
Total	**-**	**-**	**-**	**975.14**	**975.14**	**975.14**

The fair value of cash and cash equivalents, other balances with bank, trade receivables, unbilled revenues, trade payables, and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Fair value hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level -1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments	9,528.62	-	-	5,677.67	-	-
Derivative financial assets	**-**	**10.66**	**-**	**-**	**-**	**-**
Total	**9,528.62**	**10.66**	**-**	**5,677.67**	**-**	**-**
Financial Liabilities						
Derivative financial liabilities	-	0.42	-	-	-	-
Total	**-**	**0.42**	**-**	**-**	**-**	**-**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

The Company has several balances in foreign currency and consequently the company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affect on the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure and the unhedged foreign currency exposures outstanding at the end of reporting period is as under:

	Assets		Liabilities	
Currency	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
USD	3,725.82	5,231.96	574.00	460.03
JPY	1,130.25	2,326.62	251.81	409.24
Euro	1,045.27	1,749.77	209.39	402.06
CNY	1,121.56	970.67	115.19	117.58
GBP	146.64	244.70	12.60	59.31
Others	312.58	415.47	41.59	87.28

Forward Exchange Contracts

The Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian Rupee. The counter party to the Company's foreign currency Forward Contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of certain forecasted transactions. Forward exchange contracts in USD exposure are USD to INR and for EUR exposure are EUR to INR. These contracts are for a period of two years.

The following are the various outstanding foreign currency to Indian currency forward contracts (Sell) entered into be the company which has been designated as cash flow hedges:

	Currency	Amount outstanding in Foreign currency		Fair Value Gain / (Loss)	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Type of cover					
Forward	USD to INR	1.60	-	0.20	-
	EUR to INR	3.79	-	10.03	-

The movement in hedging reserve for derivatives designated as Cash Flow Hedges is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Credit / (Debit) balance at the beginning of the year	-	-
Gain / (loss) net transferred to income statement on occurrence of forecasted hedge transaction	-	-
Changes in fair value of effective portion of cash flow derivative occurred during the year	-	-
Changes in fair value of effective portion of outstanding cash flow derivative	10.24	-
Tax impact on effective portion of outstanding cash flow derivative	(2.58)	-
Credit/(Debit) balance at the end of the year	7.66	-

Credit Risk Management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The maximum exposure of the financial assets represents trade receivables.

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the entities having a strong credit worthiness. For doubtful receivables the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily are investment in liquid mutual fund units issued by institutions with high credit ratings.

Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

	As at 31 March 2021		As at 31 March 2020	
	Accounts payable and acceptances	**Other financial liabilities**	**Accounts payable and acceptances**	**Other financial liabilities**
"Carrying amount"	605.35	412.85	967.22	764.26
upto 1 year	605.35	412.85	967.22	764.26
More than 1 year	-	0.42	-	-
Total contracted cash flows	605.35	413.27	967.22	764.26

The table below provides details of financial assets:

	As at 31 March 2021	**As at 31 March 2020**
Trade receivables	7,113.41	8,150.51
Other financial assets	5,217.20	5,275.92

36. Pursuant to the order from Ministry of Corporate Affairs, Serious Fraud Investigation Office (SFIO) vide its letter dated January 9, 2009 carried out inspection of books of accounts and other records of the Company under Section 209A of the Act. Consequent to inspection, SFIO has filed a complaint in Economic Offences Court, Hyderabad ("the trial court") against the Company and the then directors. The Company has filed a writ petition in the Hon'ble High court of judicature at Hyderabad to quash the complaint of SFIO. The Hon'ble High Court has directed the trial court not to insist the appearance of directors for examination.

The Management at this juncture, does not foresee adjustments, if any, to be made in the financial statements of the Company.

37. Assessment of impact of Novel Corona Virus Disease (COVID 19)

As at the date of these Financial Statements, COVID 19 had spread across most of the world including India, China, Japan, Germany, UK, Mexico and the United States of America where the company has its operations. In assessing the recoverability of receivables including unbilled receivables, financial assets and contract costs and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, while some delays are expected in the collection, the Company expects to recover the carrying amount of these assets. Debtors realisation is good during the period, Apr-20 to Mar-21. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions. Considering the Company's present liquidity position and its customer / vendor relationships, the management of the Company is of the opinion that it would be able to discharge its obligations. However, the Company expects that revenues for FY22 may be impacted.

38. Earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follow.

	Year ended 31 March 2021	**Year ended 31 March 2020**
Profit for the year attributable to owners of the Company	3,778.79	4,884.66
Earnings used in the calculation of basic earnings per share	3,778.79	4,884.66
Weighted average number of equity shares outstanding during the period	7,088,960	7,088,960
Face Value of Equity Shares - Rs.	10	10
Basic and Diluted Earnings per Share *	53.31	68.91

* The Company has no potential dilutive instruments

39. Corporate social responsibility

	Year ended 31 March 2021	Year ended 31 March 2020
Average net profit of the company for last three financial years	3,365.00	3,234.51
Prescribed CSR expenditure to be spent (2% of the average net profits)	67.30	64.69
Amount spent during the period on		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than above	67.30	64.70

See accompanying notes to the financial statements

In terms of our report attached **for M. Bhaskara Rao & Co.** Chartered Accountants	**for and on behalf of the Board of** Satyam Venture Engineering Services Private Limited CIN: U72200TG2000PTC033213		
	G.Jayaraman Director DIN: 01461157	**Rakesh Soni** Director DIN: 02973741	**V.Venkata Kumar Raju** Director DIN: 02958816
K.S.Mahidhar Partner	**J.Venkateswarlu** Director DIN: 00051001	**Krishna Kumari Palle** Director DIN:08011919	**C.Subramanyam Reddy** Director DIN: 07089237
	Venkateswara Rao Gajjala Director DIN:08733877	**Rao.S.Vadlamudi** CEO	**Srinivas R** CFO
Hyderabad, April 16, 2021			**Aradhana R.** Company Secretary

SATYAM VENTURE ENGINEERING SERVICES (SHANGHAI) CO., LTD.

Board of Directors
Mr. P. V. Krishna Kumar

Registered Office
Building.4,No.1521
A Section,Jia Tang Road,
Jiading District, China

Bankers
HSBC Bank

Auditors
Shanghai Ruitong Certified Public Accountants

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended December 31, 2020.

Financial Results

For the year ended December 31st, 2020	2020 CNY	2020 INR	2019 CNY	2019 INR
Income	62,18,205	6,94,60,456	1,29,23,780	13,25,32,076
Profit / (Loss) before tax	9,14,556	1,02,16,045	12,38,521	1,27,00,905
Profit/(Loss) after tax	7,89,056	88,14,155	7,36,301	75,50,689

Conversion Rate Used for 2020: CNY to INR= 11.1705

Conversion Rate Used for 2019: CNY to INR= 10.2549

Review of Operations:

During the year under review, your company recorded an income of CNY 62,18,205 (Equivalent to INR 6,94,60,456). Profit after tax was CNY 7,89,056 (Equivalent to INR 88,14,155). The Company continues to invest in strengthening its marketing infrastructure in China.

Directors:

During the year Mr. P V. Krishnakumar was a director on the Board.

Outlook for the current year:

Business has been encouraging in China and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

P. V. Krishnakumar
Director

Shanghai, June 30, 2021.

AUDITORS' REPORT

HRTKSZ(2021) No. ******

I. Audit Opinion

We have audited the attached financial statements of Satyam-Venture Engineering Services (Shanghai) Co., Ltd. (hereinafter referred to as "Your Company"), including balance sheet as of December 31, 2020, annual income statement, cash flow statement and notes to financial statements for the year from January 2020 to the end of December 2020.

In our opinion, attached financial statements are prepared in accordance with the Accounting Standard for Business Enterprises in all material respects. They fairly and honestly represent Your Company's financial position as of December 31, 2020 and the operation results and the cash flow for the year from January 2020 to the end of December 2020.

II. Basis for Audit Opinion

We have concluded the auditing work in accordance with the Independent Auditing Standards for the Certified Public Accountant. Our responsibilities under these standards are further elaborated in the section of the auditor's report, entitled "CPA's Responsibility to Audit Financial Statements". In accordance with the China Code of Ethics for Certified Public Accountants, we are independent of your company and have performed other duties in respect of professional ethics. We are confident that the obtained audit evidence is sufficient and appropriate, which forms a firm basis for giving our audit opinion.

III. Responsibilities of the Management for the Financial Statements

The Management are obliged to prepare the financial statements in accordance with the Accounting Standard for Business Enterprises and achieve fair presentation of the financial statements and to design, implement and maintain necessary internal control in order to ensure that there is no material misstatement due to fraud or errors.

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

The directors' responsibilities include overseeing your financial reporting process.

IV. Certified Public Accountants' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we also:

(1) 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.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

(4) Conclude on the appropriateness of management's use of the going concern basis of accounting. And based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a significant uncertainty, the auditing standards require us to draw the attention of the users of the statements to the relevant disclosures in the financial statements in the audit report. If the disclosures are not sufficient, we should issue a modified opinion. Our conclusion is based on the information available up to the date of the auditor's report. However, future events or circumstances may cause you to cease to continue as a going concern.

(5) 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.

Shanghai Ruitong Certified Public Accountants Firm (General Partnership)	Chinese CPA: (Signature & Seal)
(Seal)	
	Chinese CPA:
	(Signature & Seal)
Shanghai, China	June 30, 2021

FINANCIAL STATEMENTS OF FOREIGN INVESTMENT ENTERPRISES IN SHANGHAI
BALANCE SHEET

KWNQ Form 01

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2020-12-31 Amount Unit: CNY

ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE	ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE
CURRENT ASSETS:	1	—	—	CURRENT LIABILITIES:	47	—	—
Monetary assets	2	7,306,629.66	7,156,655.06	Short-term loan	48		
Short-term investments	3			Notes payable	49		
Notes receivable	4			Accounts payable	50	471,906.00	2,496,761.17
Dividend receivable	5			Prepayment From Customers	51		
Interest receivable	6			Accrued wages	52		5,893.00
Accounts receivable	7	1,762,948.88	3,470,223.07	Welfare payable	53		
Advances to Suppliers	8			Inside: bonus & welfare of employee	54		
Advances to Suppliers	9			Divident payable	55		
Deposit of futures	10			Interest payable	56		
Accrued allowance	11			Tax payables	57	-30,434.70	103,978.85
Export return tax receivable	12			Inclu: tax payable	58		
other receivable	13	1,001.09	222,257.61				
	14						
Inventories	15			Other payable	59		405,501.12
Including: raw material	16			Accrued expense	60		
Finished products	17			Perceivable liabilities	61		
To hold assets for sale	18			A liability for sale			
Other current assets	19			Deferred income	62		
TOTAL CURRENT ASSETS	20	9,070,579.63	10,849,135.74	Long-term liability due within one year	63		
	18			Other current liabilities	64		
LONG TERM INVESTMENTS	19			**TOTAL CURRENT LIABILITIES**	65	441,471.30	3,012,134.14
Long-term share investments	20			**LONG TERM LIABILITIES:**	66	—	—
Long-term investment of bonds	21			Long term loans	67		
* Price differenc of merge	22			Bonds payable	68		
	23			Long term other payable	69		
TOTAL LONG TERM INVESTMENTS	24			Special payable	70		
FIXED ASSETS:	25			Other long-term liabilities	71		
Fixed assets-cost	26	20,057.00	20,057.00		72		
Less: Accumulated depreciation	27	19,914.32	16,864.00		73		
Fixed assets-net value	28	142.68	3,193.00	DEFERRED TAX:	74		
Less: Provision for loss on fixed-assets	29			Deferred tax credit items	75		
Net value of fixed-assets	30	142.68	3,193.00	**TOTAL LONG TERM LIABILITIES**	76	-	-
Construction materials	31			**TOTAL LIABILITIES**	77	441,471.30	3,012,134.14
Construction in progress	32			**OWNERS' EQUITY:**	78		
Disposal of fixed assets	33			Paid-in capital	79		
	34			Investment of Chinese (None RMB)	80		
	35			Investment of Foreign (None RMB)	81	5,695,602.57	5,695,602.57
TOTAL FIXED ASSETS	36			Less: returned investment	82		
INTANGIBLE AND OTHER ASSETS:	37			Net Paid-in capital	83	5,695,602.57	5,695,602.57
Intangible assets	38			Capital surplus	84		
Long-term deferred and prepaid expenses	39			Surplus reserves	85		
Other Long-term assets	40			Inside: Legal surplus	86		
The deferred income tax assets	41			Legal accumulated	87		
TOTAL INTANGIBLE AND OTHER ASSETS	42	142.68	3,193.00	Surplus reserves at wish	88		
DEFERRED TAX	43			Reserved fund	89		
Deferred tax debit items	44			Enterprise developing fund	90		
	45			Profit return for investment	91		
				* Unconfirmed loss of investment ("-")	92		
				Undistributed profit	93	2,933,648.44	2,144,592.03
				Discount difference of foreign currency statement	94		
				TOTAL OWNERS' EQUITY	95	8,629,251.01	7,840,194.60
				Less: loss of asset	96		
				TOTAL OWNERS' EQUITY (except the loss of assets)	**97**	**8,629,251.01**	**7,840,194.60**
TOTAL ASSETS	**46**	**9,070,722.31**	**10,852,328.74**	**TOTAL LIABILITIES AND OWNERS' EQUITY**	**98**	**9,070,722.31**	**10,852,328.74**

FINANCIAL STATEMENTS OF FOREIGN INVESTMENT ENTERPRISES IN SHANGHAI

PROFIT STATEMENTS

KWNQ Form 02

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2020\01-2020\12

Amount Unit: CNY

ITEM	Line	2020.1-2020.12 (Current Year)	2019.1-2019.12 (Last Year)	ITEM	Line	2020.1-2020.12 (Current Year)	2019.1-2019.12 (Last Year)
I. **Total Business Income**	1	5,401,451.24	12,689,644.96	Add: Gain from change of fair value	20		
Business Income	2	5,401,451.24	12,689,644.96	Investment Gain	21		
Inside: Main Business Income	3	5,401,451.24	12,689,644.96	Include: Gain from Joint-venture	22		
Other Business Income	4			**III. Profit from Business Operation**	23	148,596.30	1,004,679.06
II. **Net Business Cost**	5	5,252,854.94	11,684,965.90	Add: (1) Non-Business revenue	24	816,753.53	234,135.49
Include: (1) Businese cost	6	2,888,642.00	2,802,869.00	include: Gain from disposal of Non-current assets	25		
Inside: Main Business Cost	7	2,888,642.00	2,802,869.00	Gain fron Non-monetary transaction	26		
Other Business Cost	8			Allowance	27		
(2) Tax and additional	9	15,660.35	72,680.66	Gain from Liability re-arrangement	28		
(3) Operation expense	10	2,151,063.29	8,932,391.36	Less: Non-Operation expenditure	29	50,794.06	293.93
(4) Administration expense	11	206,246.61	-277,657.29	Include: Loss from disposal of Non-current Assets	30		
Inside: Entertainment fee	12			Loss from Non-Monetary Transaction	31		
Study and development fee	13			Loss from Liability re-arrangement	32		
(5) Financial expense	14	-8,757.31	154,682.17	**IV. Profit before Tax**	33	914,555.77	1,238,520.62
Inside: Interest payout	15			Less: Income Tax	34	125,499.36	502,220.07
Interest income	16			Add: Unconfirmed Investment Loss	35		
Net loss of exchange	17			**V. Net Profit**	36	789,056.41	736,300.55
(5) Impairment of Assets	18			Less: Gain or loss of minor stock holders	37		
(6) Others	19			**VI.Net Profit Belongs To Mother Company**	38	789,056.41	736,300.55

FINANCIAL STATEMENTS OF FOREIGN INVESTMENT ENTERPRISES IN SHANGHAI

CASH FLOW STATEMENT

KWNQ Form 03

Name of Enterprise: Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. 2020\01-202012

Amount Unit: CNY

ITEM	LINE	Current Year	Last Year	ITEM	LINE	Current Year	Last Year
1. Cash Flows from Operating Activities:	1	—	—	Cash paid to acquire subsidiary	21		
Cash received from sales of goods or rendering of services	2	7,432,812.50	17,509,927.42	Other cash paid relating to investing activities	22		
Refund of Taxes	3			**Sub-total of cash outflows**	23	-	-
Other cash received relating to other operating activities	4	632,508.93	577,221.99	Net cash flows from investing activities	24	-	-
Sub-total of cash inflows	5	8,065,321.43	18,087,149.41	**3. Cash Flows from Financing Activities:**	25	—	—
Cash paid for goods and services	6	5,086,815.69	9,301,704.54	Proceeds from received investment	26	-	4,701,690.00
Cash paid to and on behalf of employees	7	1,372,723.35	8,720,701.48	include proceeds of investment by minor shreholder	27		
Cash apid for all type of taxes	8	505,364.12	1,588,506.57	Proceeds from borrowing	28		
Cash paid relating to other operating activities	9	950,443.67	1,793,287.71	Other proceeds relating to financing activities	29		
Sub-total of cash outflows	10	7,915,346.83	21,404,200.30	**Sub-total of cash inflows**	30	-	4,701,690.00
Net cash flows from operating activities	11	149,974.60	-3,317,050.89	Cash repayments of amounts borrowed	31		
2. Cash Flows from Investing Activities:	12	—	—	Cash payments for distribution of dividends, profits or interest expense	32		
Cash received from return of investments	13			include: dividend interest	33		
Cash received from distribution of investments	14			Other cash payment relating to financing activities	34		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15			**Sub-total of cash outflows**	35		
Net cash received from disposal of Subsidiaries	16			Net cash flow from financing activities	36	-	4,701,690.00
Other cash received relating to investing activities	17			**4. Effect of Foreign Exchange Rate Changes on Cash**	37		
Sub-total of cash inflows	18	-	-	**5. Net Increase in Cash and Cash Equivalents:**	38	149,974.60	1,384,639.11
Cash paid to acquire fixed assets, intangible assets and other long-term assets	19			**6. Cash equivalents at the beginning of the period**	39	7,156,655.06	5,772,015.95
Cash paid to acquire investments	20			**7. Cash equivalents at the end of period**	40	7,306,629.66	7,156,655.06

SATYAM-VENTURE ENGINEERING SERVICES (SHANGHAI) CO., LTD.

Notes to the Financial Statements of

Satyam-Venture Engineering Services (Shanghai) Co., Ltd.

For the January 2020 - the end of December 2020

I. Company Profile

Satyam-Venture Engineering Services (Shanghai) Co., Ltd. (the Company) was invested and incorporated by SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED, and obtained the "Business License for Enterprises as Legal Persons" (Registration No.: 91310000593145765W) on May 15, 2012. The registered capital of the Company is USD860,000.00; the registered address of the Company is Building 4, No.1521 A Section, Jia Tang Road, Jiading District; and PULAVARTHI VENKATA KRISHNAKUMAR is the legal representative of the Company.

Subject to the approval of the administration of industry and commerce, the Company is principally engaged in technical consultation, technological development, technical transformation, automotive software development and technical services in the field of Automotive Engineering, And, develop and sale motorsoftware products. (operate with license as required).

II. Principal Accounting Policies

Accounting System

These financial statements have been prepared by the Company in accordance with the "Enterprise Accounting Standards".

Accounting Year

Calendar year from January 2020 to the end of December 2020.

Valuation Basis

The Company makes accounting recognition, measurement and report on the accrual basis.

Basis of Measurement

The elements of financial statements are measured by the Company on the basis of historical cost generally; and special notes will be given by the Company in the case of measurement on the basis of replacement cost, net realizable value, present value or fair value.

Recording Currency and Foreign Currency Translation

CNY is used by the Company as the recording currency. Transactions denominated in foreign currencies are stated after being translated into CNY at the market reference exchange rates promulgated by the People's Bank of China prevailing on the date on which the transactions took place, the balance in all foreign currency accounts and settlement accounts will be translated into CNY at the market reference exchange rates prevailing at the end of period, and the exchange gain or loss thus occurred will be taken to "Financial Expenses – Exchange Gain or Loss" other than those occurred during the establishment period which shall be taken to "Long-term Prepaid Expenses – Establishment Charge".

Recognition of Cash Equivalents

Investments held by the Company with short term, strong liquidity and less risk of value change which are easily converted into cash with known amount are recognized as cash equivalents.

Accounting Method for Bad Debts

The Company accounts bad debt loss by using allowance method, and makes provision for bad debts by using specific identification method.

The accounts receivable (1) that cannot be recovered due to the bankruptcy or death of the debtor after the liquidation of such debtor's property or legacy, or (2) that cannot be recovered as a result of the debtor's delay in performing its obligation of debt redemption over three years are recognized as bad debts.

Inventories

Inventories refer to the materials or goods held by the Company in the process of production and operation for sale or to be consumed in the process of production or rendering of service, including products in process and commodity stocks.

Accounting method for inventories: The inventories are measured at their actual costs at acquisition, including procurement costs, processing costs and other costs. The actual costs of delivered inventories are determined using first-in first-out method at delivery of inventories.

The perpetual inventory method is used by the Company as its inventory system. The Company checks inventories regularly, the gain from inventory profit and loss from inventory shortage are taken to the Profit and Loss of the current period.

Provision for Impairment of Inventories

At the end of the year, the provision for impairment of inventories is made or adjusted at the costs or net realizable value of inventories whichever is lower. The provision for impairment of inventories is made upon the single item of inventories.

Fixed Assets and Their Depreciation

Fixed assets refer to the tangible assets held for the purpose of producing products, rendering service, leasing or operating management with the useful life over one accounting year if it is probable that their associated economic benefits can flow to the enterprise and their costs can be measured reliably.

Fixed assets are measured initially at their costs. The Company makes depreciation for all fixed assets other than those to be used continuously after being depreciated fully and the land which will be valuated and stated separately. The depreciation is made using the straight line method.

The type, estimated useful life, estimated net residual value and annual depreciation rates of fixed assets of the Company are defined as follows:

Type of Assets	Estimated Useful Life (year)	Estimated Net Residual Value	Annual Depreciation Rate
Electronic equipment	3	10%	30%

Provision for Impairment of Fixed Assets

At the balance sheet date, the fixed assets are valuated at the lower of their book value or recoverable amount. In case the recoverable amount is lower than the book value, the book value of fixed assets is written down to the recoverable amount, and the write-down amount is recognized as the loss of impairment of assets and taken to the Profit and Loss of the current period while the provision for impairment of fixed assets is made accordingly. The loss of impairment of fixed assets will not be carried back in subsequent accounting periods once it has been recognized.

Long-term Prepaid Expenses

The long-term prepaid expenses of the Company refer to expenses that have been disbursed and will be amortized after normal production and operation over one year, mainly including establishment charge and costs of tools and appliances with useful life over one year. Other than establishment charge which is taken to Profit and Loss in a lump in the starting month of production and operation, all long-term prepaid expenses are amortized evenly within the estimated beneficial period, and taken to the Profit and Loss of each amortization period.

Revenues

1. **Sale of Goods**

   The revenues from sale of goods are recognized at the received or receivable contractual prices from the buyer when (1) the Company has transferred the significant risks and rewards of ownership of the goods to the buyer; (2) retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenues can be measured reliably; (4) it is probable that the economic benefits associated with the transaction can flow to the Company; and (5) the relevant costs incurred or to be incurred can be measured reliably.

2. **Rendering of Service**

   The revenues from rendering of service is recognized using percentage of completion method when the results of rendering of service can be estimated reliably at the balance sheet date.

3. **Transfer of the Right to the Use of Assets**

   The revenues from transfer of the right to the use of assets are recognized by the Company when the economic benefits associated with such transfer can flow to the Company and the amount of revenue can be measured reliably.

   Interest income is computed and determined according to the time of using cash & cash equivalents and the applicable interest rate. The amount of income from charge for use is computed and determined according to the time and method agreed in the relevant contract or agreement.

Income Tax

The income tax of the Company is accounted using tax payable method.

III. Taxes

Value added tax: The value added tax rate applicable to the Company in this year is 6%.

Income tax: The income tax rate applicable to the Company in this year is 25%.

Urban construction tax: The Urban construction tax rate applicable to the Company in this year is 5%.

Education surcharge: The Education surcharge rate applicable to the Company in this year is 5%.

IV. Notes to the main items of the financial statements

Unless otherwise indicated, the currency unit is CNY.

1. Cash & Cash Equivalents

As at the end of December 2020 the balance of Cash & Cash Equivalents is CNY 7,306,629.66.

Item	Book balance at end of year	Book balance at beginning of year
Cash	0.00	0.00
Cash in bank	7,306,629.66	7,156,655.06
Total	**7,306,629.66**	**7,156,655.06**

2. Accounts Receivable

As at the end of December 2020, the balance of accounts receivable is CNY 1,762,948.88, and has no record the provision for bad debts. The aging of accounts receivable is analyzed below:

Aging	Book balance at end of year	
	Amount	**%**
Within 1 year	1,153,915.88	65.45%
1-2 Years	6,09,033.00	34.55%
Provision for doubtful debts	0.00	0.00%
Total	**1,762,948.88**	**100.00%**

3. Other Receivable

As at the end of December 2020, the balance of other receivable is CNY 1,001.09. The aging of accounts receivable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	1,001.09	100.00%
Total	**1,001.09**	**100.00%**

4 Fixed Assets:

Net Value on the end of December 2020 is CNY142.68, Breakdown is listed as follows:

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Closing Balance
Original value				
Electronic equipment	20,057.00	0.00	0.00	20,057.00
Sub-total	**20,057.00**	**0.00**	**0.00**	**20,057.00**
Accumulated Depreciation				
Electronic equipment	16,864.00	3,050.32	0.00	19,914.32
Sub-total	**16,864.00**	**3,050.32**	**0.00**	**19,914.32**
Net Value	**3,193.00**			**142.68**

5. Accounts Payable

As at the end of December 2020, the balance of accounts payable is CNY471,906.00. The aging of accounts payable is analyzed below:

Aging	Book balance at end of year	
	Amount	**%**
Within 1 year	471,906.00	100.00%
1-2 years	0.00	0.00%
Total	**471,906.00**	**100.00%**

The major customers are as follows:

The list of units	**Amount**
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	366,866.00

6. Tax Payable

As at the end of December 2020, the balance of tax payable is CNY-30,434.70.The detail is as follows:

	Book balance at end of year
Value added tax	-67,336.03
Income tax	21,173.18
City building duty	0.00
The individual income tax	15,728.15
Educational expenses to add	0.00
Total	**-30,434.70**

7. Paid-in Capital

As at the end of December 2020,the balance of Paid-in Capital is USD860,000.00, (Equivalent to CNY: 5,695,602.57)

Investor	**Book balance at end of year**	**%**
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	5,695,602.57	100.00%
Total	**5,695,602.57**	**100.00%**

8. Undistributed Profits

Undistributed profits at the end of last year	2,144,592.03
Plus: Increased this year	789,056.41
Less: Decreased this year	
Undistributed profits at the end of the year	2,933,648.44

9. Operating Income & Operating Cost

2020.01.01-2020.12.31 amount, detailed as follows:

Item	Amount at current year	
	Operating income	**Operating cost**
Total	**5,401,451.24**	**2,888,642.00**

10. Operating Expenses

2020.01.01-2020.12.31 amount, detailed as follows:

Item	Amount at current period
Wages	1,372,723.35
External costs	371,834.59
Rent	29,920.90
Consulting services	552,340.11
Express fee	13,694.34
Others	-189,450.00
Total	**2,151,063.29**

11. Management fees

2020.01.01-2020.12.31 amount, detailed as follows::

Item	Amount at current period
Office expenses	12,943.76
Travel	38,579.02
Operation entertainment costs	1,497.80
Employee benefits expenditures	33,208.52
Auditing and inspection charges	25,000.00
Bookkeeping agency fee	72,500.00
Depreciation expense	3,050.32
Legal fees	17,341.60
Training fee	2,113.00
Bad debt loss	12.59
Total	**206,246.61**

12. Finance charges

2020.01.01-2020.12.31 amount, detailed as follows:

Item	Amount at current period
Bank charges	2,419.40
Interest return	-22,486.25
Exchange gains and losses	11,309.54
Total	**-8,757.31**

V Affiliated party's relationship and transaction:

1 Affiliated party relations

Affiliated party's name	Affiliated party's nature
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	hold the company's100.00% interest
PULAVARTHI VENKATA KRISHNAKUMAR	the legal representative of the Company

2 AThe affiliated party transactions

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	accounts payable	366,866.00

VI. Other Notifications:

1 The plan of profit sharing & stock bonus:

there is no procedure as per the local laws for share allotment and issue of share certificates to the shareholders. Company's profit is distributed as per the company's articles of association.

2 The company has no major subsequent events, contingent loss and contingent liability till the end of this year.

Satyam-Venture Engineering Services (Shanghai) Co., Ltd.

June 30, 2021

SATVEN GmbH

Board of Directors
Mr. Vadlamudi Srinivasa Rao

Registered Office
Leopoldstr. 244, 80807 Munchen

Bankers
HSBC

Auditors
Christoph Sieger

SATVEN GmbH

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2021.

Financial Results

For the year ended 31st March, 2021	2021 EURO	2021 INR	2020 EURO	2020 INR
Income	8,34,337	7,22,02,879	23,50,968	18,51,03,134
Profit / (Loss) before tax	(1,19,643)	(1,03,53,854)	96,936	76,32,244
Profit/(Loss) after tax	(103,243)	(89,34,545)	63,078	49,66,408

Conversion Rate used in 2021: EURO to INR= 86.53924

Conversion Ratc used in 2020: EURO to INR= 78.73486

Review of Operations:

During the ycar under review. your company recorded an income of EURO 8,34,337 (Equivalent to INR 7,22,02,879) Profiu(Loss) after tax was EURO (1,03,243) (Equivalent to INR (89,34,545). The Company continues to invest in strengthening its marketing infrastructure in

Germany.

Directors:

During the year Mr. Rao S. Vadlamudi was a director on the Board.

Outlook for the current year:

Business has been encouraging in Germany and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the sharcholder/s for the co-operation and assistance reccived from them.

Rao S. Vadlamudi
Director

April 14, 2021

AUDITOR'S CERTIFICATE FOR SATVEN GmbH, MUNICH

We have audited the annual financial statements - Tested to March 31, 2021, including the accounting of Satven GmbH, Stuttgart, for the financial period April 1, 2020 to March 31, 2021, comprising the balance sheet, profit and loss statement and notes. The accounting and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the basis of our audit, on the annual financial statements, including the accounting.

We conducted our audit in accordance with § 317 HGB promulgated by the Institute of Chartered Accountants (IDW) and German generally accepted auditing standards. Those standards require that we plan and perform that misstatements materially affecting the presentation of operations in the annual financial statements in accordance with generally accepted accounting of the assets, financial position and results, with reasonable assurance be detected. In the determination of audit procedures knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account. During the audit, the effectiveness of the accounting- related internal control system and the evidence supporting the disclosures in the annual financial statements are examined primarily on a test basis. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give attention to the proper accounting give a true and fair view of the net assets, financial position and results of operations.

Munich, April 10, 2021

C.M.S Sieger GmbH
Wirtschaftsprufungsgesellschaft

(Christoph Sieger)

Chartered Accountant

SATVEN GmbH

BALANCE SHEET AS AT 31/03/2021

ASSETS

		EUR	Financial Year EUR	Prior Year EUR
A.	**Fixed assets**			
I.	Tangible fixed assets			
	1. Advance payments made and construction in progress		8,500.00	0.00
	Total fixed assets		8,500.00	0.00
B.	**Current assets**			
I.	Receivables and other assets			
	1. Accounts receivable	132,955.13		425,277.28
	2. Receivables from affiliated companies	0.00		4,000.00
	3. Other assets	**194,108.45**		**15,554.07**
II.	Cash on hand, central bank balances, bank balances and checks		353,484.44	512,714.76
	Total current assets		680,548.02	957,546.11
			689,048.02	**957,546.11**

TOTAL EQUITY AND LIABILITIES

		EUR	Financial Year EUR	Prior Year EUR
A.	**Equity**			
I.	Subscribed capital		425,000.00	425,000.00
II.	Retained profits brought forward		191,574.40	128,496.74
III.	Net loss for the financial year		103,242.69	-63,077.66
Total equity			513,331.71	616,574.40
B.	**Provisions**			
	1. Provisions for taxes	0.00		22,436.00
	2. Other provisions	**130,813.00**		**153,700.00**
			130,813.00	176,136.00
C.	**Liabilities**			
	1 Accounts payable	**25,705.41**		**119,813.54**
	- of which remaining term up to 1 year EUR 25,705.41 (EUR 119,813.54)			
	2. Other liabilities	19,197.90		45,022.17
	- of which taxes EUR 11,649.54 (EUR 38,192.22)			
	- of which social security EUR 911.87 (EUR 1,732.04)			
	- of which remaining term up to 1 year EUR 19,197.90 (EUR 45,022.17)			
			44,903.31	164,835.71
			689,048.02	**957,546.11**

INCOME STATEMENT FROM 01/04/2020 TO 31/03/2021

			EUR	Financial Year EUR	Prior Year EUR
1.	Sales			834,336.79	2,350,948.48
2.	Other operating income			0.00	101.61
3.	Personnel expenses				
	a)	Wages and salaries	498,958.12		1,684,194.38
	b)	Social security costs and expenses related to pension plans and support	325,433.20		376,886.24
		- of which in respect of old age pensions EUR 4,074.07 (EUR 9,941.36)			
				824,391.32	2,061,080.62
4.	Other operating expenses			127,681.60	193,023.96
5.	Other interest and similar income			0.00	19.49
6.	Interest and similar expenses			1,907.32	28.95
7.	Taxes on income			-16,400.76	33,858.39
8.	**Net income/net loss after tax**			**-103,242.69**	**63,077.66**
9.	**Net loss for the financial year**			**103,242.69**	**-63,077.66**

SATVEN GmbH

INCOME STATEMENT ACCOUNTS FROM 01/04/2020 TO 31/03/2021

Description	EUR	Financial Year EUR	Prior Year EUR
Sales			
Revenue, 19%/16% VAT	989,503.56		2,283,711.98
Revenue unbilled 19% VAT	-155,166.77		67,236.50
		834,336.79	2,350,948.48
Other operating income			
Refunds AAG		0.00	101.61
Wages and salaries			
Wages and salaries	197,386.07		0.00
Salaries	758,479.39		1,644,879.98
Non-cash bnft/ serv employees	0.00		-185.60
Employment agency subsidies	-427,107.34		0.00
Exp. chge. prov. vac. pay	-29,800.00		39,500.00
		498,958.12	1,684,194.38
Social security costs and expenses related to pension plans and support			
Statutory social security expenses	314,715.47		358,686.09
Contrb. to occup. health/safety agency	6,643.66		8,258.79
Post-employment benefit costs	4,074.07		9,941.36
		325,433.20	376,886.24
of which in respect of old age pensions EUR 4,074.07 (EUR 9,941.36)			
Post-employment benefit costs			
Other operating expenses			
Other operating expenses	840.00		2,755.49
Rent (immovable property)	42,835.50		42,238.71
Incidental rental/lease exp. (SBI)	3,618.62		3,540.69
Gas, electricity, water	2,101.95		2,272.27
Cleaning	1,200.00		1,219.00
Contributions	678.83		442.32
Late filing penalties/ admin. fines	57.50		202.50
Disabled persons equalisation levy	1,500.00		1,500.00
Employee travel expenses	82.20		1,586.85
Employee trav. expn, accommodation costs	1,330.00		15,202.54
Employee travel expnses, cost of travel	2,046.13		12,891.54
Employee trav. expn, addnl substnc costs	0.00		56.58
Telephone	0.00		158.84
Office supplies	79.14		348.80
Training costs	0.00		585.00
Legal and consulting expenses	16,908.29		13,147.49
Period-end closing and audit costs	32,000.00		45,800.00
Bookkeeping expenses	20,250.00		46,804.00
Incidental monetary transaction costs	2,153.44		2,271.34
		127,681.60	193,023.96
Other interest and similar income			
Other interest and similar income		0.00	19.49
Interest and similar expenses			
Interest and similar expenses		1,907.32	28.95
Taxes on income			
Corporate income tax	0.00		16,228.58
Corporate income tax for prior years	-16,245.06		-7.93
Corp. incm tax refunds prior years	0.00		-2.06
Trade tax	0.00		17,659.00
Backp/refunds trade tax pr yrs, s 4/5	-155.70		-19.20
		-16,400.76	33,858.39
Net loss for the financial year		**103,242.69**	**-63,077.66**

NOTES TO THE FINANCIAL STATEMENTS APRIL 01, 2020 TO MARCH 31, 2021

A. General Information

Satven GmbH, Legal seat Munich, Local court Stuttgart HRB 749841

The financial statements as of March 31, 2021 were prepared according to the accounting regulations of the Commercial Code and the Limited Liability Company Act. For the profit and loss statement the cost categories oriented format has been chosen. Satven GmbH is a very small corporation according to Sect. 267a para. 1 Commercial Code. The relieves for small corporations according to Sect. 288 Commercial Code have partially been used.

B Accounting an Valuation Principles

The prepayments and construction in progress are shown at face value. No depreciation has been considered.

The trade receivables and other assets have been accounted at face value.

The cash has been accounted at face value.

As prepaid expenses are shown payments before the reporting date that represent expenses for a certain period after this date.

The accruals are shown with redemption amount and recognize all risks and contingent liabilities at the balance sheet date with the settlement amount, which is needed under reasonable business judgment.

The liabilities have been accounted with their redemption and all have a maturity of up to one year.

The company has engaged in the average 22 employees during the interim period

C. Information

The acting director in the financial year 2020/2021 was

Mr Rao S. Vadlamudi

Date: April 10, 2021
Place: Hyderabad

DYNACOMMERCE HOLDING B.V.

Board of Directors
Mr. Sandeep Phadke

Registered office
Stationsplein 5 A 1,
6131AT Sittard

Bankers
Rabo Bank, Netherland

Auditors
Koenen En CO

ACCOUNTANT'S COMPILATION REPORT

The financial statements of Dynacommerce Holding B.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2020 and the profit and loss account for the year 2020 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Dynacommerce Holding B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

FISCAL POSITION

Fiscal unity

There is a group tax treatment (fiscal unity) for Dynacommerce Holding B.V. and her Dutch subsidiary for the corporate income tax.

The corporate income tax for the subsidiary is calculated as if the subsidiary is sole entity for the corporate income tax. Any dis- and advantages concerning the group tax treatment are taken into account with Dynacommerce Holding B.V. The corporate income tax payable by the subsidiary is registered into the current account with Dynacommerce Holding B.V.

Losses to be settled

As at December 31, 2020 the losses to be settled amount to € 11.287.579 The losses can be settled with future profits within a period of 6 years. Losses from the year 2018 or earlier can be settled up to 9 years.

Because the realisation of future tax profits is uncertain, the deferred tax asset in respect of the carry-forward of unused tax losses are not valuated.

Taxable amount and taxation financial year 2020

The fiscal result amounts € 1.400.307. There is no corporate income tax payment required regarding this result.

We trust to have been of service. We are available to provide further explanation should you have questions or comments.

Yours sincerely,

KOENEN EN CO

Accountants

DYNACOMMERCE HOLDING B.V.

BALANCE SHEET AS AT 31 DECEMBER 2020

(before appropriation of results)

		31 December 2020		31 December 2019	
		€	€	€	€
ASSETS					
FIXED ASSETS					
Tangible fixed assets	(1)				
Leasehold improvements		802.666		918.055	
Equipment		113.480		161.747	
Furniture & fixtures		29.503		42.628	
			945.649		1.122.430
Financial fixed assets	(2)				
Partcipation in group companies			0		0
CURRENT ASSETS					
Receivables, prepayments and accrued income	(3)				
Trade debtors		0		51	
Receivable from group companies		1.209.311		1.421.969	
Other taxes and social security		15.783		0	
Prepayments and accrued income		61.758		63.264	
			1.286.852		1.485.284
Cash and Bank	(4)		35.593		16.164
			2.268.094		2.623.878
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	(5)				
Issued share capital		18.000		18.000	
Share premium		1.585.222		1.585.222	
Other reserves		(11.483.513)		(12.118.298)	
			(9.880.291)		(10.515.076)
PROVISIONS	(6)				
Provision negativ value subsidiaries			0		938.092
LONG-TERM LIABILITIES	(7)				
Loan from Mahindra Engineering Services (Europe) Ltd-UK			11.908.544		11.908.544
CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME	(8)				
Trade creditors		5.359		8.385	
Other taxes and social security		0		572	
Other liabilities		200.788		224.728	
Accruals and deferred income		33.694		58.633	
			239.841		292.318
			2.268.094		2.623.878

PROFIT AND LOSS ACCOUNT 2020

		2020		2019	
		€	€	€	€
Costs					
Depreciation	(9)	180.100		175.729	
Other operating expenses	(10)	314.245		301.533	
			494.345		477.262
Operating results			(494.345)		(477.262)
Interest expenses and similar charges	(11)		(120.508)		(394.850)
Result before corporation tax			(614.853)		(872.112)
Taxation on result of ordinary activities			0		0
			(614.853)		(872.112)
Result after income taxes of the group companies	(12)		1.249.638		(1.322.924)
Net result			**634.785**		**(2.195.036)**

GENERAL NOTES TO THE FINANCIAL STATEMENTS

Activities

The activities of Dynacommerce Holding B.V. are fully focused on holding activities. On the date 31-3-2020 Dynalean B.V. has been merged with Dynacommerce B.V.

Business address

Dynacommerce Holding B.V. (registered under Chamber of Commerce number 66421470) is based at Stationsplein 5A 1 in Sittard.

Group relationships

Dynacommerce Holding B.V. settled in Sittard, The Netherlands, is the head of a group of legal persons. Dynacommerce B.V. is a 100% subsidiary of Tech Mahindra Limited, settled in Maharashtra, India, which is the head of the group and motherhood company of Dynacommerce Holding B.V.

The figures of Dynacommerce Holding B.V. are included in the financial statements of Tech Mahindra Limited.

Consolidation

Consolidated financial statements have not been drawn up on the grounds of the exemption pursuant to Sec on 2: 407 (2a) of the Dutch Civil Code.

Mergers and acquisitions

Legal merger

On August 10, 2020, the boards of Dynacommerce B.V. (acquiring company) and Dynalean B.V. (disappearing company) decided on a legal merger. In this context, the power of Dynalean B.V. as can be seen from the balance sheet as of March 31, 2020 is transferred under general title to Dynacommerce B.V. The assets and liabilities of Dynalean B.V. are included in the balance sheet of Dynacommerce B.V. at the book values as of April 1, 2020. The merger has a negative effect on Dynacommerce B.V.'s equity of € 1.552.345. The bases of appreciation used by Dynalean B.V. were the same as those used by Dynacommerce B.V.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the general determination of Chapter 9 Book 2 of the Dutch Civil Code.

Dynacommerce Holding B.V., Sittard

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless mentioned otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Financial position

Although the financial position of the entity is still delicate, it has been decided to maintain the valuation bases for the time being on a going concern basis as the outlook for next years is positive. The entity has a negative equity as per balance sheet date.

Based on the financial position as per 31-12-2020 the ultimate parent Tech Mahindra Limited provided a letter of support concerning Dynacommerce Holding B.V. and Dynacommerce B.V. which states that Tech Mahindra Limited is willing and able to provide additional financial resources or financing to Dynacommerce Holding B.V and Dynacommerce B.V. This assistance will continue in the near future which will at least be for 12 months from the date of signing of the financial statements.

In addition, Tech Mahindra Limited confirmed that they will not immediately claim the receivables against Dynacommerce Holding B.V. and Dynacommerce B.V.

Estimates and assumptions

Dynacommerce Holding B.V. based its assumptions and estimates on circumstances and information available when the financial statements were prepared.

If it is necessary in order to provide the transparency required under art. 2:362 paragraph 1 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

The tangible fixed assets are presented at the cost less the accumulated depreciation and, if applicable, the special impairments. The depreciation is based on the estimated economic lifespan and are calculated on the basis of a fixed percentage of the purchase price, taking into account a residual value, if any. Depreciation is provided from the date an asset comes into use. No depreciation is applied on grounds/land.

Financial fixed assets

Where significant influence is exercised participations in non-consolidated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Dynacommerce Holding B.V.

When a participation has a value lower than nil, a provision is formed which is netted against the receivable from that group company or presented as a provision.

Long-term liabilities

Recorded interest-bearing loans and liabilities are valued at face value.

Current liabilities, accruals and deferred income

Upon initial recognition, the liabilities recorded are stated at fair value and then valued at amortized cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

The profit that can be allocated to the work in progress is determined on the basis of the part of the agreed upon fee for the contracted work that can be allocated, minus the costs that can be allocated to that part of the work in progress.

Determination of the result

The result is determined as the difference between net turnover and the costs of the reporting period regarding the previous mentioned principles of valuation. Benefits and charges are allocated to the year to which they relate. Profits are included only in so far as they have been realised on the balance sheet date. Losses which originate before the end of the year under report are taken into account if they became known before the preparation of the annual accounts.

Result after income taxes of the group companies

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the results achieved by the participation.

Tax

The corporate income tax is calculated at the applicable rate over the result of the financial year, taking into account any permanent differences between profit calculation in accordance with the financial statements and the fiscal result calculation.

In the financial statement of subsidiary, a tax charge is calculated based on the commercial result. The taxes owed by subsidiary is settled through the intercompany account with Dynacommerce Holding B.V.

DISCLOSURE ON BALANCE SHEET AS AT 31 DECEMBER 2020

1. Tangible fixed assets

	Leasehold Improvement	Equipment	Furniture & fixtures	Total
	€	€	€	€
Bookvalue 1 January 2020	918.591	161.757	42.639	1.122.987
Investments	0	6.004	0	6.004
Depreciation	(113.378)	(54.281)	(13.136)	(180.795)
Other changes	(2.547)	0	0	(2.547)
Bookvalue 31 December 2019	802.666	113.480	29.503	945.649

Depreciation percentages	**%**
Leasehold improvements	10
Equipment	20
Furniture & fixtures	20

2. Financial fixed assets

	31-12-2020	31-12-2019
	€	€
Participations in group companies		
Dynacommerce B.V. te Sittard (100%)	0	0
Dynalean B.V. te Sittard (100%)	0	0
	0	**0**

	31-12-2020	31-12-2019
	€	€
Dynacommerce B.V.		
Balance as at 1 January	0	0
Results	1.438.695	(179.737)
	1.438.695	(179.737)
Provision	(1.438.695)	(179.737)
Balance as at 31 December	**0**	**0**

The 100% participation in Dynacommerce B.V. has been valued at nil as the subsidiary has a negative equity value. To the extent the negative value cannot be netted against an intercompany receivable, a provision has been made for the negative value of the subsidiary.

3. Receivables, prepayments and accrued income

	31-12-2020	31-12-2019
	€	€
Trade debtors		
Trade debtors	0	51
Receivable from group companies		
Dynacommerce B.V.	1.209.311	1.413.439
Tech Mahindra GmbH	0	8.530
	1.209.311	1.421.969

Over the receivables from group companies no interest has been charged. No payment obligatio has been set down. No security has been provided.

The face value of the receivable from Dynacommerce B.V. per December 31, 2020 is € 7.623.142 (December 31, 2019 € 7.713.620). This amount is decreased with the value of the provision for the negative value of Dynacommerce B.V. The net amount is presented as the receivable.

Other taxes and social security		
VAT	15.783	0
	15.783	**0**
Prepayments and accrued income		
Deposits	57.860	57.860
Other prepaid expenses	3.898	5.404
	61.758	**63.264**

	31-12-2020	31-12-2019
	€	€
4. Cash and Bank		
Rabobank	**35.593**	**16.164**
5. Shareholders' equity		
Issued share capital		
18 ordinary shares of € 1.000,00	**18.000**	**18.000**
Share premium		
Balance as at 1 January	1.585.222	1.585.222
Mutation	0	0
Balance as at 31 December	**1.585.222**	**1.585.222**
Other reserves		
Balance as at 1 January	(12.118.298)	(9.923.262)
Net profit	634.785	(2.195.036)
Balance as at 31 December	(11.483.513)	(12.118.298)

The general meeting of shareholders has approved the annual report 2019. In line with the proposal of the board of directors, the results of 2020 have been added to the other reserves.

6. Provisions

	31-12-2020	31-12-2019
	€	€
Provision negative value subsidiaries		
Provision negative value subsidiaries	**0**	**938.092**
7. Long-term liabilities		
Finance debts		
Loan from Mahindra Engineering Services (Europe) Ltd-UK	**11.908.544**	**11.908.544**

	Loan from Techmahindra Ltd
	€
Book value 1 January 2020	11.908.544
Mutation	0
Book value per December 31, 2020	11.908.544

The loan of Mahindra Engineering Services (Europe) Ltd- UK amounts to € 11.908.544 with an interest rate of LIBOR plus hundred basis points (1% p.a.), from May 8, 2019.

8. Current liabilities, accruals and deferred income

	31-12-2020	31-12-2019
	€	€
Trade creditors		
Trade creditors	5.359	8.385
Other taxes and social security		
VAT	0	572
Other liabilities		
Interest payable to group companies	19.872	19.902
Other payables	180.916	204.826
	200.788	224.728
Accruals and deferred income		
Insurances to be paid	13.336	0
Invoices to be received	20.358	58.633
	33.694	58.633

RIGHTS AND LIABILITIES NOT INCLUDED IN THE BALANCE SHEET

Contingent liabilities

Group tax treatment

Dynacommerce Holding B.V. is the head of the fiscal unity which consist the entity Dynacommerce B.V. and Dynacommerce Holding B.V.

Multi -year financial obligations

Rent agreement

The company has rented an office space in a building located at the Stationsplein 5a, Sittard. The total rent amounts € 20.173 (included VAT) a month. The contract has a duration of initially 10 years and will be ending on December 31, 2027.

Rights

Tax losses available for set-off

As at balance sheet date a loss for set-off remains of € 11.287.579. According to the ruling tax law, these losses can be set-off against possible future fiscal profits. Based on the loss set-off there is a deferred tax asset of € 2.821.895 (25% of € 11.287.579). Since it is not certain that the tax losses can be applied for set-off against possible future fiscal profits, this deferred tax asset is not recognised on the balance sheet.

DISCLOSURE ON PROFIT AND LOSS ACCOUNT 2020

Employees

At the end of 2020 the company employed 0 full time equivalents (2019: 0).

	2020	2019
	€	€
9. Depreciation		
Tangible fixed assets	180.795	175.729
Booking result of the sold tangible fixed assets	(695)	0
	180.100	**175.729**
Depreciation tangible fixed assets		
Leasehold improvements	113.378	113.139
Equipment	54.281	49.634
Furniture & fixtures	13.136	12.956
Booking result of the sold tangible fixed assets	(695)	0
	180.100	**175.729**
10. Other operating expenses		
Housing expenses	186.345	141.203
Office expenses	63	915
Selling expenses	1.232	5.147
Other operating expenses	126.605	154.268
	314.245	**301.533**
Housing expenses		
Hiring and rental charges	176.160	125.521
Energy expenses	185	0
Maintenance buildings	204	5.554
Guard expenses	9.796	9.368
Other housing expenses	0	760
	186.345	**141.203**

	2020	2019
	€	€
Office expenses		
Postage	0	236
Other office expenses	63	679
	63	**915**
Selling expenses		
Travel expenses	**1.232**	**5.147**
Other operating expenses		
Professional Fees	41.128	105.563
Consulting fees	0	2.425
Insurances	84.959	32.638
Other operating expenses	518	13.642
	126.605	**154.268**
Financial income and expense		
11. Interest expenses and similar charges		
Bank charges	1.096	10.927
Paid interest	0	306.343
Other financing costs	0	(70)
Interest intercompany loan	119.412	77.650
	120.508	**394.850**

12. Result after income taxes of the group companies

	2020	2019
	€	€
Net result of Dynacommerce B.V.	1.438.695	(861.415)
Net result of Dynalean B.V.(included the merger)	(189.057)	0
Merger Dynacommerce GmbH	0	(86.743)
Merger Dynacommerce India Plt.	0	(374.766)
	1.249.638	**(1.322.924)**

Signature Board of directors

The financial statements are thus prepared by the board.

Sittard, April 1st, 2021

On their behalf

S. Phadke

DYNACOMMERCE B.V.

Board of Directors
Mr. Sandeep Phadke on behalf of
Dynacommerce Holding B.V.

Registered office
Stationsplein 5 A 1, 6131AT Sittard

Bankers
Rabo Bank, Netherland

Auditors
Koenen En CO

ACCOUNTANT‘S COMPILATION REPORT

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We trust to have been of service. We are available to provide further explanation should you have questions or comments.,

Yours sincerely,

KOENEN EN CO
Accountants

BALANCE SHEET AS AT 31 DECEMBER 2020

(before appropriation of results)

		31 December 2020		31 December 2019	
		€	€	€	€
ASSETS					
FIXED ASSETS					
Intangible fixed assets	(1)				
Omnius product development			225.098		0
CURRENT ASSETS					
Work in progress	(2)		0		145.121
Receivables, prepayments and accrued income	(3)				
Trade debtors		436.944		342.865	
Receivable from group companies		107.721		2.479.048	
Other taxes and social security		30.699		64.848	
Prepayments and accrued income		31.935		45.100	
			607.299		2.931.861
Cash and Bank	(4)		1.118.326		1.467.404
			1.950.723		4.544.386
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	(5)				
Issued share capital		18.000		18.000	
Other reserves		(6.431.831)		(6.318.181)	
			(6.431.831)		(6.300.181)
PROVISIONS	(6)				
Deferred tax liabilities			56.275		0
LONG-TERM LIABILITIES	(7)				
Liabilities to group companies			0		500.000
CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME	(8)				
Trade creditors		242.814		438.234	
Current account group companies		7.623.142		7.713.620	
Other taxes and social security		27.394		104.905	
Other liabilities		133.681		386.800	
Accruals and deferred income		281.248		1.701.008	
			8.308.279		10.344.567
			1.950.723		**4.544.386**

DYNACOMMERCE B.V.

PROFIT AND LOSS ACCOUNT 2020

		2020		2019	
		€	€	€	€
Net turnover	(9)		7.768.839		9.275.137
Costs					
Costs of raw materials and consumables	(10)	1.886.755		3.530.141	
Wages, salaries and social security costs	(11)	3.108.763		4.441.642	
Depreciation	(12)	732.204		0	
Other operating expenses	(13)	752.766		1.477.268	
			6.480.488		9.449.051
Operating results			1.288.351		(173.914)
Interest expenses and similar charges	(14)		(4.639)		(5.822)
Result before corporation tax			1.283.712		(179.736)
Taxation on result of ordinary activities	(15)		154.983		0
Net result			**1.438.695**		**(179.736)**

GENERAL NOTES TO THE FINANCIAL STATEMENTS

Activites

The activities of Dynacommerce B.V. are fully focused on end to end Omnius omnichannel solutions. On the date 31-3-2020 Dynalean B.V. is merged with Dynacommerce B.V. The platform, which previously was included in the balance sheet of Dynalean B.V., is now included in the balance sheet of Dynacommerce B.V.

Business address

Dynacommerce B.V. (registered under Chamber of Commerce number 60727853) having its legal seat at Stationsplein 5A 1 in Sittard.

Group Relationships

Dynacommerce B.V. is a 100% subsidiary of Dynacommerce Holding B.V., settled in Sittard, The Netherlands. The financial statements of Dynacommerce B.V. are included in the consolidated financial statements of Tech Mahindra Limited, settled in Maharashtra, India.

Mergers and acquisitions

Legal merger

On August 10, 2020, the boards of Dynacommerce B.V. (acquiring company) and Dynalean B.V. (disappearing company) decided on a legal merger. In this context, the power of Dynalean B.V. as can be seen from the balance sheet as of March 31, 2020 is transferred under general title to Dynacommerce B.V. The assets and liabilities of Dynalean B.V. are included in the balance sheet of Dynacommerce B.V. at the book values as of April 1, 2020. The merger has a negative effect on Dynacommerce B.V.'s equity of € 1.552.345. The bases of appreciation used by Dynalean B.V. were the same as those used by Dynacommerce B.V.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the general determination of Chapter 9 Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless mentioned otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Financial position

Although the financial position of the entity is still delicate, it has been decided to maintain the valuation bases for the time being on a going concern basis as the outlook for next years is positive. The entity has a negative equity as per balance sheet date.

Based on the financial position as per 31-12-2020 the ultimate parent Tech Mahindra Limited provided a letter of support concerning Dynacommerce Holding B.V. and Dynacommerce B.V. which states that Tech Mahindra Limited is willing and able to provide additional financial resources or financing to Dynacommerce Holding B.V and Dynacommerce B.V. This assistance will continue in the near future which will at least be for 12 months from the date of signing of the financial statements.

In addition, Tech Mahindra Limited confirmed that they will not immediately claim the receivables against Dynacommerce Holding B.V. and Dynacommerce B.V.

Estimates and assumptions

Dynacommerce B.V. based its assumptions and estimates on circumstances and information available when the financial statements were prepared.

If it is necessary in order to provide the transparency required under art. 2:362 paragraph 1 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortization and, if applicable, less impairments. Amortization is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortization method are reassessed at the end of each financial year. Depreciation in 3 years based on the portfolio of customers taken over.

Internal development costs for technology and software are recognized as an intangible asset if, and only if, all of the following have been demonstrated:

- The technical feasibility to complete the project;
- The intention to complete the intangible asset, and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development; and
- The cost of developing the asset can be measured reliably.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. All expenditures on research activities and development activities for which the recognition criteria listed above are not met are expensed in the income statement as incurred.

Receivables, prepayments and accrued income

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The

fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad

debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Provisions

A provision is formed due to liabilities of which it is more likely than not that they will occur and the extent can be reasonably estimated.

Deferred tax liabilities

The deferred taxes result out of the temporary differences between the fiscal and commercial value of assets and liabilities. The provision is calculated against a tax rate of 25,00%.

The provisions have a predominantly long-term character.

Current liabilities, accruals and deferred income

Upon initial recognition, the liabilities recorded are stated at fair value and then valued at amortized cost.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

The profit that can be allocated to the work in progress is determined on the basis of the part of the agreed upon fee for the contracted work that can be allocated, minus the costs that can be allocated to that part of the work in progress.

Determination of the result

The result is determined as the difference between net turnover and the costs of the reporting period regarding the previous mentioned principles of valuation. Benefits and charges are allocated to the year to which they relate. Profits are included only in so far as they have been realised on the balance sheet date. Losses which originate before the end of the year under report are taken into account if they became known before the preparation of the annual accounts.

Net turnover

Net turnover means the revenues of the services provided in the year under report, after deduction of discounts and of the taxes charged over the turnover.

Revenues from services are recognized in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimatedcosts of the aggregate services to be performed. The cost price of these services is allocated to the same period.

Tax

The corporate income tax is calculated at the applicable rate over the result of the financial year, taking into account any permanent differences between profit calculation in accordance with the financial statements and the fiscal result calculation.

The other company forming part of the fiscal unity for corporate income tax is charged as if they were separately liable for tax.

DISCLOSURE ON BALANCE SHEET AS AT 31 DECEMBER 2020

1. Intangible fixed assets

	Omnius product development
	€
Book value 1 April 2020	957.302
Depreciation	(732.204)
Book value 31 December 2020	225.098
Depreciation percentages	%
Omnius product development	33

	31-12-2020	31-12-2019
	€	€
2. Work in progress		
Work in progress	**0**	**145.121**
3. Receivables, prepayments and accrued income		
Trade debtors		
Trade debtors	**436.944**	**342.865**
Receivable from group companies		
Dynalean B.V.	0	1.877.079
Unbilled revenue intercompany	107.721	601.969
	107.721	**2.479.048**
Other taxes and social security		
Pensions	**30.699**	**64.848**
Prepayments and accrued income		
Provision bonus	7.816	7.981
Net wages	0	3.121
Other prepaid expenses	24.119	33.998
	31.935	**45.100**
4. Cash and Bank		
Rabobank	**1.118.326**	**1.467.404**
5. Shareholders‘ equity		
Issued share capital		
18 ordinary shares of € 1.000,00	**18.000**	**18.000**
Other reserves		
Balance as at 1 January	(6.318.181)	(6.138.445)
Net result	1.438.695	(179.736)
Merger Dynalean B.V.	(1.552.345)	0
Balance as at 31 December	**(6.431.831)**	**(6.318.181)**

The general meeting of shareholders has approved the annual report 2019. In line with the proposal of the board of directors, the results of 2020 have been added to the other reserves

6. Provisions

	31-12-2020	31-12-2019
	€	€
Deferred tax Liabilities	56.275	0

The deferred tax position results out of the temporary differences between the fiscal and commercial value of assets and liabilities. The provision is calculated against a tax rate of 25%. This deferred tax liability will be depreciated by the beginning of 2022.

7. Long-term liabilities

	31-12-2020	31-12-2019
	€	€
Liabilities to group companies		
Mahindra Engineering Services (Europe) Ltd-UK	0	500.000

The initial loan of Mahindra Engineering Services (Europe) Ltd- UK amounts to € 500.000. The loan is repaid during 2020.

8. Current liabilities, accruals and deferred income

	31-12-2020	31-12-2019
Trade creditors		
Trade creditors	**242.814**	**438.234**
Current account group companies		
Dynacommerce Holding B.V.	**7.623.142**	**7.713.620**

Over the current accounts no interest has been charged. No payment obligation has been set down. No security has been provided.

	31-12-2020	31-12-2019
Other taxes and social security		
Wage tax	27.394	104.905
Other liabilities		
Interest payable to group companies	0	834
Other payables	133.681	385.966
	133.681	**386.800**
Accruals and deferred income		
Holiday obligation	82.665	112.231
Provision leave days payable	123.583	88.777
Other payable Tech Mahindra Limited	0	1.500.000
Severance pay	75.000	0
	281.248	**1.701.008**

RIGHTS AND LIABILITIES NOT INCLUDED IN THE BALANCE SHEET

Contingent liabilities

Group tax treatment

Dynacommerce B.V. is part of a fiscal unity. The head of this fiscal unity is Dynacommerce Holding B.V.

Multi -year financial obligations

Operational lease

The company has operational lease-contracts for cars at the end of 2020 with total monthly payments of about € 2.840. Duration of the contracts is variable.

Rights

Tax losses available for set-off

As at balance sheet date a loss for set-off remains. According to the ruling tax law, these losses can be set-off against possible future fiscal profits. Since it is not certain that the tax losses can be applied for set-off against possible future fiscal profits, this deferred tax asset is not recognised on the balance sheet.

DISCLOSURE ON PROFIT AND LOSS ACCOUNT 2020

	2020	2019
	€	€
9. Net turnover		
Net turnover	2.546.325	4.075.277
Net turnover intercompany	5.222.514	5.199.860
	7.768.839	**9.275.137**
10. Costs of raw materials and consumables		
Costs of sales	**1.886.755**	**3.530.141**
11. Wages, salaries and social security costs		
Wages and salaries	2.034.578	2.847.830
Social security charges	322.376	554.520
Pension contribu ons	133.773	115.929
Other personnel costs	618.036	923.363
	3.108.763	**4.441.642**
Wages and salaries		
Wages and salaries	1.990.045	2.932.652
Mutation holiday pay and holiday obligations	44.533	(84.822)
	2.034.578	**2.847.830**
Social security charges		
Social security charges	**322.376**	**554.520**
Pension contributions		
Pension contributions	**133.773**	**115.929**

	2020	2019
	€	€
Other personnel costs		
Hired labour costs	149.774	227.225
Payrol service provider costs	33.601	32.333
Expense renumeration	218.485	312.102
Canteen costs	3.431	14.902
Training costs	6.690	47.189
Arbo costs	0	138
Wage subsidies	(25.853)	(14.742)
Other personell costs	231.908	282.848
Hired intercompany labour costs	0	21.368
	618.036	**923.363**

Employees

At the end of 2020 the company employed 46 members of staff (2019:52).

12. Depreciation

Depreciation intangible fixed assets		
Omnius product development		
	732.204	**0**

13. Other operating expenses

	2020	2019
	€	€
Housing expenses	51.879	131.725
Office expenses	480.411	438.077
Car expenses	59.254	94.261
Selling expenses	40.069	258.603
Other operating expenses	121.153	554.602
	752.766	**1.477.268**
Housing expenses		
Hiring and rental charges	(27.364)	41.840
Energy expenses	30.909	47.035
Maintenance buildings	46.123	39.350
Other housing expenses	2.211	3.500
	51.879	**131.725**

	2020	2019
	€	€
Office expenses		
Printing	4.018	4.650
Automation on expenses	427.677	359.591
Telephone	44.316	57.565
Other office expenses	4.400	16.271
	480.411	**438.077**
Car expenses		
Fuel expenses	0	882
Lease costs	57.935	90.771
Other car expenses	1.319	2.608
	59.254	**94.261**
Selling expenses		
Representation	162	1.400
Exhibitions	0	8.241
Travel expenses	39.907	248.962
	40.069	**258.603**
Other operating expenses		
Professional Fees	17.237	11.738
Consulting fees	9.837	75.375
Legal advice	66.029	124.259
Insurances	15.472	18.531
Small purchases	2.832	7.029
Subsciptions	12.598	6.664
Other operating expenses	(2.852)	13.492
Non-labour cost intercompany	0	297.514
	121.153	**554.602**

	2020	2019
	€	€
14. Interest expenses and similar charges		
Bank charges	678	2.418
Paid interest	23	555
Tax fines	596	0
Interest Intercompany loan	3.342	2.849
	4.639	**5.822**
15. Taxation on result of ordinary Activites		
Mutation deferred tax liabilities	**(154.983)**	**0**

Adoption of annual accounts

Signature Board of Directors

The interim financial statements are thus prepared and adopted by the board or the general meeting.

Sittard, April 1st, 2021

Dynacommerce Holding B.V.

on their behalf

S. Phadke

BORN GROUP PTE. LTD.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

Board of Directors
Mr. Melant Navin Sadashiv
Mr. Ritesh Mohan Idnani
Mr. Vivek Satish Agarwal

Registered Office
77 Robinson Road #
16-00 Robinson 77
Singapore (068896)

Bankers
DBS Bank Singapore

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31-Mar-2021

Particulars	Note	As at Mar 2021	As at Dec 2019
Assets		US$	US$
Non-current assets			
Property, plant and equipment	4	1,514,310	2,124,547
Goodwill	5	11,639,017	11,337,748
Intangible assets	4	-	9,304
Other receivables	6	308,777	1,348,985
Deferred tax assets		1,536,049	-
		14,998,153	**14,820,584**
Current assets			
Trade and other receivables	6	17,113,619	14,801,682
Prepayments	7	955,410	765,264
Other financial asset (Escrow account)	6	1,100,000	
Cash and bank balances	8	1,976,224	5,457,069
		21,145,253	**21,024,015**
Total Assets		**36,143,406**	**35,844,599**
Equity and Liabilities			
Equity attributable to owners of the Company			
Share capital	9(a)	47,979,909	47,979,909
(Accumulated losses)/Retained earnings	9(b)	(36,519,028)	(38,166,174)
Foreign currency translation reserve	9(c)	(1,283,415)	(1,448,976)
Total Equity		**10,177,466**	**8,364,759**
Current liabilities			
Provision for taxation		84,554	86,811
Borrowings	10	4,000,000	1,487,674
Trade and other payables	11	20,593,983	22,882,005
		24,678,537	**24,456,490**
Non Current liability			
Provisions		107,776	-
Other financial liability		1,179,627	1,923,350
Other payables	11	-	1,100,000
		1,287,403	**3,023,350**
Total equity and liability		**36,143,406**	**35,844,599**

For and on behalf of BORN Group PTE Limited

Sebastian Murphy
Group CFO

Born Group Pte. Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the period 1st Jan 2020 to 31st March 2021

Particulars	Note	1 January 2020 to 31 March 2021	26 Nov 2019 to 31 Dec 2019
		US$	US$
Revenue from rendering of services	13	94,070,782	6,065,637
		94,070,782	**6,065,637**
Cost of sales	15	(75,474,392)	(5,230,151)
Gross profit		**18,596,390**	**835,486**
Other income	14	4,889,457	200,557
Selling and distribution cost	15	(9,334,483)	(378,461)
Administrative expenses	15	(13,822,943)	(786,911)
Operating profit		**328,421**	**(129,329)**
Finance costs	16	71,735	(30,387)
Profit before tax		**400,156**	**(159,716)**
Income tax expense		(345,373)	177,115
Deferred Tax		1,521,307	
Profit for the year, representing total comprehensive income for the year		**1,576,089**	**17,399**
Other comprehensive income / (loss) for the year, net of tax Net other comprehensive (loss) / gain to be reclassified to statement of comprehensive income in subsequent years			
Exchange differences on translation of foreign operations	0	-165561	90,313
Total comprehensive income for the year attributable to owners of the Company		**1,410,528**	**107,712**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period 1st Jan 2020 to 31st March 2021

Particulars	Attributable to the owners of the Company			
	Share capital (Note 9(a))	Accumulated losses (Note 9(b))	Foreign currency translation reserve (Note 9(d))	Total Equity
	US$	US$	US$	US$
Group				
At 26th Nov 2019	47,979,909	(38,183,573)	(1,539,289)	8,257,047
Profit for the year, net of tax	-	17,399	-	17,399
Other comprehensive income/(loss)				
Exchange differences on translation of foreign operations	-	-	90,313	90,313
Total comprehensive income/(loss) for the year	**-**	**17,399**	**90,313**	**107,712**
Others	-	-	-	-
At 31 Dec 2019	**47,979,909**	**(38,166,174)**	**(1,448,976)**	**8,364,759**
Profit for the period 1-Jan-2020 to 31-Mar-2021	-	1,576,089	-	1,576,089
Other comprehensive income/(loss)				
Remeasurement loss on post-employment benefit plans				
Exchange differences on translation of foreign operations	-	-	165,561	165,561
Total comprehensive income/(loss) for the year	**-**	**1,576,089**	**165,561**	**1,741,650**
Others	-	71,057	-	-
At 31 Mar 2021	**47,979,909**	**(36,519,028)**	**(1,283,415)**	**10,106,409**

Born Group Pte. Ltd.

CONSOLIDATED CASH FLOW STATEMENTS

For the period 1st Jan 2020 to 31st March 2021

Particulars	Note	31-Mar-2021	31-Dec-2019
		US$	US$
Operating activities			
Profit before tax		400,160	(159,715)
Adjustments for:			
Depreciation of property, plant and equipment	4	34,975	150,959
Amortization of intangible assets	4	9,802	2,069
Impairment loss on financial asset		1,712,550	-
Bad debts written off	15	-	4,203
Finance cost	16	(71,735)	30,387
Accrued interest on income tax		-	(44,635)
Unrealised exchange loss recognised in profit and loss		101,727	619,724
Total adjustments		**1,787,320**	**762,708**
Operating cash flows before changes in working capital		2,187,480	602,992
Changes in working capital:			
Increase in trade, other receivables and prepayments		(1,714,822)	141,353
Increase / (decrease) in provision for employee benefits		107,775	-
Increase in trade and other payables		(3,255,119)	(10,455,385)
Net working capital adjustment		(4,862,167)	(10,314,032)
		(2,674,686)	**(9,711,039)**
Finance cost - others			(2,802)
Interest on income tax paid		64,478	-
Income tax paid		(488,011)	(22,275)
Net cash flows from / (used in) operating activities		**(3,098,219)**	**(9,736,116)**
Investing activities			
Purchase of property, plant and equipment	4	(1,137,691)	(615,526)
Purchase of intangible assets	8	-	540,614
Net cash flows used in investing activities		**(1,137,691)**	**(74,912)**
Financing activities			
Proceeds from borrowings		2,512,327	(982,669)
Repayment of borrowings		46,460	(15,934)
Finance cost	16	71,735	(14,449)
Net cash flows used in financing activities		**2,630,522**	**(1,013,052)**
Net (decrease) / increase in cash and cash equivalents		(1,605,389)	(10,824,081)
Effect of exchange rate changes on cash and cash equivalents		(1,875,456)	37,623
Cash and cash equivalents at 1 January		**5,457,069**	**16,243,527**
Cash and cash equivalents at 31 December		**1,976,224**	**5,457,069**
Borrowing		(4,000,000)	(1,487,674)
Net cash position		**(2,023,776)**	**3,969,395**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to Financial Statements For the period 1st Jan 2020 to 31st March 2021

4 Property, plant and equipment

Group	Computer and accessories	Furniture and fittings	Office equipments	Leasehold Improvements	Building	Grand Total
Cost						
As at 26th Nov 2019	1,174,269	146,860	130,060	681,780	2,812,466	4,945,435
Additions	22,372	-	578	-	592,556	615506
Disposals	-	-	-	-		-
Exchange differences	16,568	829	2,692	16,597	41,224	77,910
At 31 December 2019	**1,213,209**	**147,689**	**133,330**	**698,377**	**3,446,246**	**5,638,851**
Additions	239,494	843	379	66,165	1,665,100	1,971,981
Disposals	(3,444)	-	-	-	(832,550)	(835,994)
Exchange differences	36,465	1,582	4,997	34,466	(1,734,682)	(1,657,172)
At 31 Mar 2021	**1,485,724**	**150,114**	**138,706**	**799,008**	**2,544,114**	**5,117,666**
Accumulated depreciation						
As at 26th Nov 2019	871,239	133,594	125,750	679,230	1,497,418	3,307,231
Depreciation charge for the year	16,610	1,987	247	207	131,909	150,960
Exchange differences	13,112	665	2,645	16,539	23,152	56,113
At 31 December 2019	**900,961**	**136,246**	**128,642**	**695,976**	**1,652,479**	**3,514,304**
Depreciation charge for the period	225,248	11,185	3,496	48,808	724,835	1,013,572
Disposals	-	-	-	-	(978,600)	(978,600)
Exchange differences	26,816	1,609	4,932	33,368	(12,645)	54,080
At 31 Mar 2021	**1,153,025**	**149,040**	**137,070**	**778,152**	**1,386,069**	**3,603,356**
Net carrying amount						
At 31 Mar 2021	**332,699**	**1,074**	**1,636**	**20,856**	**1,158,045**	**1,514,310**
At 31 December 2019	**312,248**	**11,443**	**4,688**	**2,401**	**1,793,767**	**2,124,547**
As at 26th Nov 2019	**303,030**	**13,266**	**4,310**	**2,550**	**1,315,048**	**1,638,204**

4 Intangible assets - Software

	26 Nov 2019 to 31 Dec 2019
Cost	US$
As at 26th Nov 2019	758,845
Exchange difference	17,848
At 31 December 2019	776,693
Exchange difference	34,761
At 31 Mar 2021	**811,454**
Accumulated amortisation	
As at 26th Nov 2019	747,094
Amortisation during the year	2,068
Exchange difference	18,227
At 31 December 2019	**767,389**
Amortisation during the year	9,802
Exchange difference	34,263
At 31 Mar 2021	**811,454**
At 31 Mar 2021	-
At 31 December 2019	**9,304**
As at 26th Nov 2019	**11,751**

5 Goodwill and its impairment (Group)

Born Group Pte. Ltd. recognized US$ 4,477,639 as goodwill consequent to the acquisition of Pod1 Inc., USA on 31 May 2012 and the global synergies expected pursuant to this acquisition, in addition to the goodwill of US$ 8,392,642 (transalated value, 31-Mar-2021 - US$7161378; 31 December 2019 - US$ 6,860,115) recognized for acquisition of Born London limited in 2011.

	31-Mar-2021	31-Dec-2019
	US$	US$
Acquisition of Pod 1 Inc., USA	4,477,639	4,477,639
Acquisition of BORN London Limited, UK	7,161,378	6,860,115
	11,639,017	**11,337,754**

6 Trade and other receivables

		Group	Group
		31-Mar-2021	31-Dec-2019
		US$	US$
Current			
Trade receivables*	(a)	11963490	11,082,589
Contract asset		4804551	3,302,892
Refundable deposits		57862	284,398
Other receivables	(b) & (c)	1387716	131,803
		18,213,619	**14,801,682**
Non-current			
Refundable deposits		73,500	248,985
Income tax credit		235,277	-
Other receivable	(‘c)		1,100,000
		308,777	**1,348,985**
Total trade and other receivables		18,522,396	16,150,667
Add : Cash and cash balances		1,976,224	5,457,069
Total loans and receivables		**20,498,620**	**21,607,736**

(a) Trade receivables are non-interest bearing and are generally on 30-90 day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Other receivables represents corporation tax receivables, advances recoverable from employees, client reimbursements and tax deducted at source recoverable.

(ç) Included in other receivables represent amount deposited in escrow account in accordance with the terms of Share Purchase Agreement (the “SPA”) dated 25 November 2019 entered between the Company’s holding company, i.e. Tech Mahindra (Singapore) Pte Limited (‘the Buyers’) and erstwhile shareholders (‘the Sellers’).). As per SPA, the Company, holds an escrow account for (a) the Indemnity Escrow Amount US$ 1,000,000 plus (b) the Seller Representative Expense Escrow Amount US$ 100,000. The escrow account is maintained to indemnify the Buyers for losses arising except on account of fraud or a breach of the fundamental representations up to fifteen months from the date of closing, subject to the limitations set forth in SPA. At the end of the fifteen months, the outstanding balance in escrow account will be released to the Sellers in accordance with the terms of the escrow agreement. Accordingly, a corresponding liability of US$ 1,100,000 has been recognised under ‘Trade and other payables’ as at 31 March 2021 (note 10).

Notes to Financial Statements For the period 1st Jan 2020 to 31st March 2021

*Trade receivables denominated in foreign currencies at 31 March are as follows:

	31-Mar-2021	31-Dec-2019
	US$	US$
Great Britain Pounds	1,144,109	1,160,126
Euro	474,182	340,385
Singapore Dollars	1,037,136	539,718
Australian Dollars	35,149	107,324
Swiss Franc	135,215	190,827
Japanese yen	18,741	-
Canadian Dollars	42,897	-
Malaysia Ringgits	646,416	1,581,781
Total amount denominated in foreign currencies	**3,533,844**	**3,920,162**

Trade receivables are non-interest bearing and are generally on 30-90 day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

At the end of the year, the ageing analysis of trade receivables is as follows:	US$	US$
Neither past due nor impaired	8,905,279	6,578,092
Past due but not impaired		
Lesser than 30 days	1,897,904	3,560,717
30 - 60 days	735,160	494,127
61 - 90 days	40,803	236,548
91 - 120 days	36,216	62,211
More than 121 days	348,128	150,894
Total Trade receivables	**11,963,490**	**11,082,589**

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	31-Mar-2021	31-Dec-2019
	US$	US$
Trade receivables - nominal amounts	12,015,081	11,321,903
Less: Allowance for impairment	(51,591)	(239,314)
	11,963,490	**11,082,589**

7 Prepayments

The prepaid expenses comprise of remaining prepaid balances of insurance premium of employees and annual maintenance contracts whose benefits are consumed beyond this financial year.

8 Cash and bank balances

	31-Mar-2021	31-Dec-2019
	US$	US$
Cash at bank and on hand*	1,976,224	5,457,069
	1,976,224	**5,457,069**

* The cash at bank and on hand are primarily current account balances and does not earn any interest.

Cash at bank and on hand denominated in foreign currencies at 31 March are as follows:	31-Mar-2021	31-Dec-2019
	US$	US$
Great Britain Pounds	498,408	299,687
Singapore Dollars	116,902	25,592
Australian Dollar	-	120,471
Malaysian Ringgit	428,286	384,854
Japanese yen	66,820	888,417
Canadian Dollars	23,680	2,266
Total amount denominated in foreign currencies	**1,134,096**	**1,721,286**

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at the end of the reporting year:

	31-Mar-2021	31-Dec-2019
	US$	US$
Cash at bank and on hand	1976224	5,457,069
Working capital loans	(4,000,000)	(1,487,674)
Cash and cash equivalents	**(2,023,776)**	**3,969,395**

9(a) Share capital

	Number of shares	US$
Fully paid ordinary shares with no par value		
As at 26th Nov 2019	266,205	47,979,909
At 31 December 2019	266,205	47,979,909
At 31 March 2021	266,205	47,979,909

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to monitor and adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or issue new shares. In the event that the Company requires additional capital, monies would be infused by the shareholders to provide appropriate financial support to the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, convertible redeemable preference shares, trade and other payables, less cash and short-term deposits. Capital represents equity attributable to the owners of the Company less the fair value adjustment reserve..

	Note	31-Mar-2021	31-Dec-2019
		US$	US$
Trade and other payables	12	24,593,983	25,469,679
Less: Cash and bank balances	8	-1,976,224	-5,457,069
Net debt (A)		**22,617,759**	**20,012,610**
Equity attributable to owners of the Company (B)		10,106,409	8,364,759
Capital and net debt (C) = (A) + (B)		32,724,168	28,377,370
Gearing ratio (A)/(C)		**69%**	**71%**

No changes were made in the objective, policies or processes during the year ended 31 March 2021.

Notes to Financial Statements For the period 1st Jan 2020 to 31st March 2021

9(b) Retained earnings

	31-Mar-2021	31-Dec-2019
	US$	US$
As at 1st Jan 2020/As at 26th Nov 2019	(38,166,174)	(38,183,573)
Profit for the year, representing total comprehensive income for the year	1576089	17,399
Others	71057	-
At 31st March 2021/As at 31st Dec 2019	**(36,519,028)**	**(38,166,174)**

9(c) Foreign currency translation reserve

	31-Mar-2021	31-Dec-2019
	US$	US$
As at 1st Jan 2020/As at 26th Nov 2019	(1,448,976)	(1,539,289)
Exchange differences on translation of foreign operations	165,561	(90,313)
At 31st March 2021/As at 31st Dec 2019	**(1,283,415)**	**(1,448,976)**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

10 Borrowings (current)

		Interest rate	Maturity	US$
2021				
Working capital loan*	(a)	1.4% p.a	On demand	4,000,000
				4,000,000

		Interest rate	Maturity	US$
2019				
Working capital loan*	(a)	Prime rate + 1.5%	On demand	1,487,674
				1,487,674

* The Working capital loans forms part of the cash and cash equivalents as disclosed in Note 12.

Note:

(a) Working capital bank loan from JP Morgan bank, with the credit limit of USD 5 million, of which $4,000,000 drawdown as on 31-Mar-2021. This is secured against the book debts.

(a) Working capital bank loan from Western alliance bank, an Arizona corporation with the credit limit of USD 3 million. This is secured against the book debts.

11 Trade and other payables

	Note	31-Mar-2021	31-Dec-2019
		US$	US$
Trade payables	(a)	3,506,752	3,540,812
Contract liabilities	13(b)	2,494,964	2,047,326
Advance from customers		526,817	368,535
Current financial liabilities			-
Statutory dues payable		971,315	1,847,382
Payable to employees		2,162,110	3,974,212
Other payables	(b)	1,504,532	
Due to other related parties	('c) & 18 (b)	9,427,493	11,103,738
Total trade and other payables		**20,593,983**	**22,882,005**
Borrowings	10	4,000,000	1,487,674
Other payable		-	1,100,000
Total financial liabilities carried at amortised cost		**24,593,983**	**25,469,679**

Terms and conditions of the above financial liabilities:

(a) Trade payables are non-interest bearing and are normally settled on 30-day terms on average.

(b) Other payables are non-interest bearing and have an average term of 45 days. For explanations on the credit risk management processes (Note 23).

(c) Amounts due to related parties are trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Trade payables denominated in foreign currencies as at 31 March are as follows:

	31-Mar-2021	31-Dec-2019
	US$	US$
Great Britain Pounds	1,085,005	599,373
Singapore Dollar	11,260	66,640
Hong Kong Dollar	19,444	-
Euro	23,238	2,952
Indian Rupee	3,494,942	-
Japanese Yen	326	5,049
Hungarian Forint	65,857	16,648
Canadian Dollars	276,577	-
Total amount denominated in foreign currencies	**4,976,649**	**690,661**

13 Revenue

a) Disaggregation of revenue

	1 January 2020 to 31 March 2021	26-Nov 2019 to 31-Dec-2019
Rendering of services	US$	US$
Time and material	54,044,068	3,718,371
Fixed price	40,026,714	2,347,267
	94,070,782	**6,065,638**

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Time and material

Nature of goods or services	Time and material
When revenue is recognised	Revenue is recognised over the implementation services period.
Significant payment terms	Invoices are issued to the customers according to their respective billing plans and are normally payable within 30-60 days.

Fixed price

Nature of goods or services	**Fixed price**
When revenue is recognised	Revenue from fixed price development contracts is recognised as performance obligations are satisfied. Where performance obligations are satisfied over time as work progresses, revenue is recognised progressively based on the percentage of completion method. The stage of completion is determined as the proportion of the total time cost expected to install the software services that has elapsed at the end of the reporting period (input method). Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered.
Significant payment terms	Invoices are issued to the customers after the services are performed and are normally payable within 30-60 days.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by geographical markets and timing of revenue recognition:

Revenue by Geography	**1 January 2020 to 31 March 2021**	**26-Nov 2019 to 31-Dec-2019**
	US $	US $
United States of America	47,251,559	3,316,747
United Kingdom	9,303,968	718,582
Indonesia	809,896	176,702
Japan	4,003,141	132,648
Switzerland	11,256,142	661,352
Singapore	6,018,073	334,411
Malaysia	3,425,104	457,516
India	4,496,952	
Canada	2,008,539	
Egypt	1,970,725	
Other countries	3,526,683	267,679
Total	**94,070,782**	**6,065,637**

b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Note	**1 January 2020 to 31 March 2021**	**26-Nov 2019 to 31-Dec-2019**
		US $	**US $**
Receivables from contract with customers	6	11,963,490	11,082,589
Contract assets	6	4,804,551	3,302,892
Contract liabilities	11	2,494,964	2,047,326

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers or for which the Group has billed in advance before performance as required under the contract.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

	Contract assets		Contract liabilities	
	31-Mar-2021	**31-Dec-2019**	**31-Mar-2021**	**31-Dec-2019**
	US$	**US$**	**US$**	**US$**
Revenue recognised from prior year balance	–	–	2,047,326	–
Cash received in advance and not recognised as revenue	–	–	2,494,964	2,047,326
Changes in measurement of progress	4,804,551	3,302,892	–	–
Contract asset reclassified to trade receivables	3302892	–	–	–

Significant judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of project teams to determine the progress of the fixed price contracts and on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

31-Mar-21	**2022**	**2023**	**2024**	**Total**
	US$	**US$**	**US$**	**US$**
Time and material	24,292,000	18,992,300	9,833,000	53,117,300
Fixed price	7,301,000	2,850,000	324,000	10,475,000

31-Dec-19	**2020**	**2021**	**2022**	**Total**
	US$	**US$**	**US$**	**US$**
Time and material	17,038,145	5,934,816	5,934,816	28,907,777
Fixed price	4,956,993	3,074,240	3,074,240	11,105,473

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

		1 January 2020 to 31 March 2021	**26 Nov 2019 to 31 Dec 2019**
		US$	US$
14	**Other income**		
	Rental income	948,713	86,714
	Net foreign exchange gain	-	76,965
	Billable out of pocket expenses	354,360	
	Other miscellaneous income	3,586,385	36,878
	Total	**4,889,457**	**200,557**

		1 January 2020 to 31 March 2021	26 Nov 2019 to 31 Dec 2019
		US$	US$
15	**Operating expenses**		
	By function:		
	Cost of sales	75,474,392	5,230,151
	Operating expenses		
	Selling and distribution costs	9,334,483	378,461
	Administrative expenses	13,822,943	786,911
	Total operating expenses	**23,157,426**	**1,165,372**
	Total	**98,631,818**	**6,395,523**
	By nature:		
	Outsourced work	34,697,208	2,688,085
	Depreciation	34,975	150,960
	Amortization of intangible assets	9,802	2,068
	Equipment rentals	80,424	3,246
	Employee benefits expense (Note 4.4)	52,855,926	3,048,718
	Recruitment charges	1,205,541	88,314
	Insurance	132,786	9,525
	Rent	2,880,812	55,717
	Repairs and maintenance	136,992	10,417
	Software maintenance	1,831,402	98,539
	Power and fuel	53,315	2,294
	Printing and stationery	14,524	3,243
	Postage and courier	32,944	3,082
	Travelling expenses	589,703	96,344
	Telephone expenses and communication expenses	355,850	25,199
	Advertisement and sales promotion	632,354	46,147
	Entertainment	80,948	56,397
	Net foreign exchange loss	213,495	
	Bad debts written off	1,017,745	4,203
	Others	130,648	3,026
	Total	**98,631,818**	**6,395,524**

		1 January 2020 to 31 March 2021	26 Nov 2019 to 31 Dec 2019
		US$	US$
15.1	**Employee benefits expense**		
	Wages and salaries	49,016,727	2,822,600
	Social security costs	3,839,199	226,117
	Total	**52,855,926**	**3,048,717**

	1 January 2020 to 31 March 2021	26 Nov 2019 to 31 Dec 2019
	US$	US$
16 Finance Cost		
Interest expense on:		
- Bank borrowings	102,784	15,934
- Others	(174,519)	14,453
Total	**(71,735)**	**30,387**

17 Related party disclosures

A) Related party relationships

Subsidiaries				**% of equity interest**
Particulars		**Country of incorporation**	**Subsidiary**	**Step down subsidiary**
Group FMG Holdings B.V.		Netherlands	100%	-
Born London Limited	(a)	United Kingdom	22%	78%
Born Group Inc.	(a)	United States of America	36%	64%
Born Group HK Company Limited	(a)	Hong Kong	-	100%
Whitefield Holdings Asia Limited		Mauritius	100%	-
Born Japan Kabhushiki Kaisha		Japan	100%	-
Born Digital SDN BHD		Malaysia	100%	-
Born Creative Commerce Group Inc.		Canada	100%	

(a) 100% of equity capital of Born Group HK Company Limited, 64% of equity capital of Born Group Inc. and 78% equity capital of Born London Limited are held by Group FMG Holdings B.V

The Immediate holding Company

Name of the entity	**% of equity interest**
Tech Mahindra Singapore Pte Ltd*	100.00%

The Ultimate holding Company

Name of the entity	**% of equity interest**
Tech Mahindra Limited*	100.00%

Tech Mahindra Limited through its wholly owned subsidiary, i.e. Tech Mahindra (Singapore) Pte Limited acquired 100% stake in the Company on 26 November 2019.

Fellow Subsidiaries

Name of the entity	**% of equity interest**
Born Commerce Private Limited*	100% subsidiary of Tech Mahindra Limited

Key Management Personnel	**Relationship**
Ritesh Mohan Idnani	Director, Born Group Pte. Ltd.
Navin Melant	Director, Born Group Pte. Ltd.
Vivek Satish Agarwal	Director, Born Group Pte. Ltd.

No other directors or persons of the Company, its subsidiaries and the holding Company have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Directors' interests in employee share option plan

No options were granted or exercised during the period/year ended 31 March 2021 and 31 December 2019.

At the end of the reporting year, the total number of outstanding share options granted by the Company to the directors under the employee share option plan is Nil (2019: Nil).

Notes to Financial Statements For the period 1st Jan 2020 to 31st March 2021

B) Related party transactions

Transactions with related parties	**Year**	**(All stated in US$, unless stated otherwise)**		
		Holding Company and Ultimate Holding Company	**Key Management Personnel**	**Subsidiaries & Fellow Subsidiaries**
Investments during the year	2021			4,924,103
	2019	–	–	0
Outwork Charges	2021	261,393		7,990,021
	2019	–	–	608,412
Remuneration – short-term employee benefits	2021		24,739	
	2019	–	3,356	–
Reimbursement of Expenses	2021	209,163		
	2019	76,700	–	–
Amounts payable	2021	275,555	551498	3,131,334
	2019	–	–	0
Amounts receivable	2021	38,237		92,558
	2019	76,700	–	0

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured, interest free, repayable on demand, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period/year ended 31 March 2021 and 31 December 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

18 Fair value of assets and liabilities

The carrying amounts of total loans and receivables, and total financial liabilities carried at amortised cost are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Particulars	**Total**	**Group**		
		Fair value measurement using		
		Quoted prices in active markets US$	**Significant observable inputs US$**	**Significant unobservable inputs US$**
	US$	(Level 1)	(Level 2)	(Level 3)
2021				
Refundable deposits	131,362	-	131,362	-
Financial instruments - Unquoted equity shares*	NIL*	-	-	NIL*

2019				
Other financial assets				
Refundable deposits	533,383	-	533,383	-
Financial instruments - Unquoted equity shares*	NIL*	-	-	NIL*

19 Financial risk management objectives and policies

The Company's principal financial liabilities are comprised of convertible redeemable preference shares and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company has trade receivables, other receivables and cash balances that arise directly from its operations.

Financial risk factors

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

Market risk

Market risk is the risk that the fair value of future cash flows if a financial instrument will fluctuate because of changes in market prices. The principal market risk impacting the Company is currency risk. Financial instruments affected by market risk include deposits, accounts receivable, and accounts payable.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables). Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Company's historical information.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors ability to meet its obligations
- Significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors in the group and changes in the operating results of the debtors.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtors
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtors will enter bankruptcy or other financial reorganisation

The Company categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets:

Notes to Financial Statements For the period 1st Jan 2020 to 31st March 2021

(i) Non-trade Financial assets at amortised cost

The Company uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Company compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Company considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjust for forward looking information such as forecast of economic condition, which has a bearing on default rates.

A summary of the Company's internal grading category in the computation of the Company's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of Category	Basis for recognition of expected credit loss provision
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected credit losses
Grade II	Financial assets for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses

There are no significant changes to estimation techniques or assumptions made during the year. No loss allowance provision for other non-trade financial assets has been provided as management has assessed the impact to be not significant

The gross carrying amount of other non-trade financial asset at amortised cost without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is as follows:

Particulars		31-Mar-2021	31-Dec-2019
12 month ECL	Non-trade financial asset at amortised cost	1,519,078	665,186

The gross carrying amount of trade receivables and contract assets of the Group are disclosed in Note 6.

(ii) Trade receivables and contract assets:

The Company provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Company's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 31 March 2021 and 31 December 2019 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by geographical region:

Group

	Contract assets	Not due	0-90 days past due	91-180 days past due	Total
31 March 2021					
Gross carrying amount	4804551	8905279	2673867	435935	16,819,632
Loss allowance provision				-51591	(51,591)
31 December 2019					
Gross carrying amount	3,302,892	6,578,092	4,291,392	452,419	14,624,795
Loss allowance provision	(183,139.00)	-	-	(239,314)	(422,453)

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 6.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Particulars	Neither past due nor impaired	Past due but not impaired	Total
As at 31-Mar-2021	US$	US$	US$
Trade receivables	8,905,279	3,058,211	11,963,490
Contract assets	4,804,551	-	4,804,551
Other receivables	1,754,355	-	1,754,355
Cash and bank balances	1,976,224	-	1,976,224
Total	**17,440,409**	**3,058,211**	**20,498,620**

Particulars	Neither past due nor impaired	Past due but not impaired	Total
As at 31-Dec-2019	US$	US$	US$
Trade receivables	6,578,091	4,504,498	11,082,589
Contract assets	3,302,892	-	3,302,892
Other receivables	6,269,684	-	6,269,684
Cash and bank balances	5,457,069	-	5,457,069
Total	**21,607,736**	**4,504,498**	**26,112,234**

Liquidity Risk

The Group monitors its risk to a shortage of funds using its forecasts. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank finance, finance leases and hire purchase contracts. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Group				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	US$	US$	US$	US$	US$
As at 31-Mar-2021					
Trade and other payables	971315	10195175	9427493		20,593,983
Borrowings	4000000				4,000,000
Total	**4,971,315**	**10,195,175**	**9,427,493**	**-**	**24,593,983**
As at 31-Dec-2019					
Trade and other payables	1,847,382	9,930,885	11,103,738	-	22,882,005
Borrowings	1,487,674	-	-	-	1,487,674
Total	**3,335,056**	**9,930,885**	**11,103,738**	**-**	**24,369,679**

20 Events occurring after the end of the reporting year:

There are no significant events occurring after the end of the reporting year, which can materially change the financial results and financial position for the year.

21 Comparative figures

During the financial period, the Company changed its financial year end from 31 December to 31 March. Accordingly, the financial statements for the current financial period cover a period of 15 months from 1 January 2020 to 31 March 2021.

BORN COMMERCE PRIVATE LIMITED

Board of Directors
Mr. Ritesh Mohan Idnani
Mr. Vivek Satish Agarwal

Registered Office
2nd Floor, Hardy Tower,
Ramanujan IT SEZ,
TRIL Infopark Limited,
Taramani, Chennai – 600 113,
Tamil Nadu

Bankers
HDFC Bank Limited

Auditors
BSR & CO. LLP

DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure in submitting their 11th Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

1. FINANCIAL SUMMMARY

The summarised version of the financial data for the current year and the previous year are as follows:

Particulars	For the year ended 31st March 2021 (Rs. in Lacs)	For the year ended 31st March 2020 (Rs. in Lacs)
Total Revenue	**19,938**	17,452
Total Expenses	**16,874**	14,639
Profit before Exceptional and Extraordinary items and Tax	**3,064**	2,813
Less: Exceptional Items	**-**	-
Less: Extraordinary Items	**-**	-
Profit before Tax	**3,064**	2,813
Less: Current Tax	**802**	573
Deferred Tax	**(90)**	175
Profit for the year	**2,352**	2,065
Comprehensive Income / loss	**(69)**	3
Total Other Comprehensive income for the year	**2,283**	2,068
Earnings Per Share	**36.61**	32.14
Basic & Diluted	**36.61**	32.14

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the period under review, the Company has earned revenue from operations of Rs 19,759 lacs from rendering of services representing an increase of 18.79% over previous year.

The Board of Directors at its meeting held on 29th January 2021 has approved the Scheme of Merger by Absorption of Tech Mahindra Business Services Limited and Born Commerce Private Limited with Tech Mahindra Limited, the appointed date being 1st April 2021. The Application was filed before the Hon'ble NCLT, Chennai on 23rd February 2021.

3. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

4. DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the company and do not recommend any dividend.

5. TRANSFER TO RESERVES

The Company has not proposed to transfer any amount to reserves.

6. CHANGES IN SHARE CAPITAL

There is no change in the structure of the share capital of the Company during the year under review.

7. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of the business of the Company.

8. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2020-21 is available on the Company's website at borngroup.com/investors-india

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act 2013.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The are no material contracts or agreements entered with related parties pursuant to section 188 of the Companies Act, 2013 that is required to be disclosed in Form AOC 2.

11. STATUTORY AUDITORS

M/S BSR & CO. LLP, CHARTERED ACCOUNTANTS (FRN 101248W/W-100022), were appointed as the Statutory Auditors of the Company for a period of five years at the 10th Annual General Meeting of the Company held on 23rd July, 2020, to hold office from the conclusion of 10th Annual General Meeting till the conclusion of 15th Annual General Meeting at a remuneration as mutually agreed between the Board and the Auditors.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

13. DETAILS OF DIRECTORS & KMP(s)

During the year under review there was no appointment/resignation of Director. Mr. Vivek Satish Agarwal and Mr. Ritesh Mohan Idnani, who were appointed as Additional Directors at the Board Meeting held on 25th November 2019, were regularised as Directors at the Annual General Meeting held on 23rd July 2020. None of the directors were disqualified during the year under review.

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. NUMBER OF BOARD MEETINGS/COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Board met 4 times on the following dates during the year financial year under review:

Sl. No.	Date of Board Meeting	No. of Directors attended
1.	1st July 2020	2
2.	27th October 2020	2
3.	29th January 2021	2
4.	15th March 2021	2

The details of meetings of the CSR Committee are as follows:

Sl. No.	Date of Board Meeting	No. of Directors attended
1.	1st July 2020	2

16. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

The disclosure with respect to formal annual evaluation by the board is not applicable to your Company.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company or Joint Venture. The transations with the associate companies are enlisted in the Financial Statements.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Part A and B pertaining to the conservation of energy and the technology absorption is not applicable to the company.

C	Foreign Exchange Earnings/ Outgo:	Rs. in lakhs
	Earnings	18,112
	Outgo	24

19. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The provisions related to Risk Management Policy development and implementations are not applicable to your company.

20. SECRETARIAL STANDARDS

Your directors state and confirm that the Company has complied with the secretarial standards as notified by the Institute of Company Secretaries of India and to the extent applicable to the Company.

21. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The CSR Contribution amount being less than Rupees Fifty Lacs for the Financial year 2020-21, the Board of Directors at its meeting held on 27th October 2020 has dissolved the Corporate Social Responsibility Committee of the Company pursuant to section 135(9) of the Companies Act, 2013.

The Company has complied with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended for the Financial year 2020-21. The Annual Report on Corporate Social Responsibility Activities of the Company for the Financial Year 2020-21 has been provided in Annexure A to this report.

22. PROVIDING VIGIL MECHANISM

The provisions relating to Section 177(9) read with Rule 7 of the Companies (Meetings of the Board and its Powers), Rules, 2014 is not applicable to the company.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

24. DEPOSITS

The Company has not accepted any deposits during the year under review.

25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has a “Prevention of Sexual Harassment Committee (POSH)”. Such committee is responsible for end to end management and disposal of any cases that may be reported to it. During the year 2020-21, no such cases were reported.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company’s operations in future. However the company has filed an Application before the Hon’ble NCLT, Chennai on 23rd February 2021 with respect to Merger by Absorption of Tech Mahindra Business Services Limited and Born Commerce Private Limited with Tech Mahindra Limited, the appointed date being 1st April 2021.

27. COVID 19 DISCLOSURE

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects that the carrying amount of the assets will be recovered, net of provisions established.

28. OTHER MATTERS

The following disclosures are not applicable to this company and hence no reporting is required:

Sl. No.	Particulars	Section & Rules
1.	Secretarial Audit Report	Section 204(1) of the Companies Act, 2013.
2.	Declaration of Independent Directors	Section 134(3)(d) read with Section 149(6) of the Companies Act, 2013.
3.	Receipt of any Commission by MD / WTD from a Company or for Receipt of Commission / Remuneration from its Holding or Subsidiary	Section 197(14) of the Companies Act, 2013.
4.	Managerial Remuneration	Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5.	Disclosure of Composition of Audit Committee	Section 177(8) read with Rule 6 of the Companies (Meetings of the Board and its Powers), Rules, 2014
6.	Nomination & Remuneration Committee Policy	Section 178(3) of the Companies Act, 2013.
7.	Statement Indicating the manner in which formal Annual Evaluation has been made by the Board of its own performance, its Directors, and that of its Committees	Section 134(p) read with Rule 8(4) of Companies (Accounts) Rules, 2014.
8.	Management Discussion and Analysis Report	Article I. Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9.	Corporate Governance	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)
10.	Maintenance of Cost Records	Section 148(1) of the Companies Act, 2013
11.	Particulars of employees	The provisions relating to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

29. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, employees, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of Board of Directors
Born Commerce Private Limited

Director
Name: Vivek Satish Agarwal
DIN: 05218475

Director
Name: Ritesh Mohan Idnani
DIN: 06403188

Date: June 24, 2021
Place: Chennai

Annexure-A

Annual Report on Corporate Social Responsibility Activities of

Born Commerce Private Limited for the Financial Year 2020-21

CIN NO.: U93090TN2011PTC094977
Regd. Office: 2nd Floor, Hardy Tower Ramanujan
IT SEZ TRIL Infopark Limited, Taramani, Chennai
Tamil Nadu 600113, India
e-mail: complianceofficer.cs@borngroup.com,
website: www.borngroup.com
Tel: +91 (044) 33511200

Introduction

Born Commerce Private Limited (hereinafter referred to as the Company) is in the business of design services including management of graphics and content for sales and marketing as well as customer communication, managing services, reprographic services, digital rights management services, premedia solutions and services, workflow development, advertising services for companies across various indus-tries. The Company strives for holistic business growth. The company belives that alongwith economic performance, environmental and social stewardship is also required. The Company's focus has always been to contribute towards the sustainable development of society and environment.

The Corporate Social Responsibility(CSR) Contribution amount being less than Rupees Fifty Lacs for the Financial year 2020-21, the Board of Directors at its meeting held on 27th October 2020 has dissolved the Corporate Social Responsibility Committee of the Company pursuant to section 135(9) of the Companies Act, 2013.

1. **Brief outline on CSR Policy of the Company.**

   Born Commerce Private Limited implements its CSR Programs primarily through Tech Mahindra Foundation (TMF) (Section 25 Company set up under the Companies Act 1956). The CSR activities of the company are in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereunder. CSR focus area for the company is primarily promotion of Education. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged and vulnerable and marginalized population.

2. **Composition of CSR Committee.**

   CSR Committee has been dissolved with effect from 27th October, 2020. The functions of the CSR Committee provided under section 135 of the Companies Act, 2013 are now being discharged by the Board of Directors.

   Board of Directors:

   Mr. Vivek Satish Agarwal

   Mr. Ritesh Mohan Idnani

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   The CSR policy can be accessed on the Company's website at borngroup.com/investors-india

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014. –** N.A.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year. -** NIL

6. **Average net profit of the company as per section 135(5).**

   FY 17-18 – Rs.7,57,79,014.00

   FY 18-19 – Rs.19,46,28,307.00

   FY 19-20 – Rs.28,13,11,374.00

   The Average Net Profit before Tax is Rs.18,39,06,232.00

7. (a) **Two percent of average net profit of the company as per section 135(5) –** Rs. 36,78,200.00 (rounded off to nearest hundred)

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years**. - NIL

(c) **Amount required to be set off for the financial year, if any** - NIL

(d) **Total CSR obligation for the financial year (7a+7b-7c).** – Rs. 36,78,200.00

8. (a) **CSR amount spent or unspent for the financial year 2020-21**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.) - NIL				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
36,78,200.00	NIL	N.A.	N.A.	NIL	N.A.

(b) **Details of CSR amount spent against ongoing projects for the financial year 2020-21: Nil**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
	Total											

(c) **Details of CSR amount spent against other than ongoing projects for the financial year 2020-21:**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)	
Sl. No.	Name of the Project.	Programme	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
					State.	District.			Name.	CSR Registration number.
1.	Education	SMART	Schedule VII, Item 2 (promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)	Yes	Tamil Nadu	Chennai	36,78,200.00	No	Tech Mahindra Foundation	CSR00001814
	Total						**36,78,200.00**			

(d) **Amount spent in Administrative Overheads -** NIL

(e) **Amount spent on Impact Assessment –** N.A.

(f) Total amount spent for the Financial Year 2020-21 (8b+8c+8d+8e) – Rs. 36,78,200.00

(g) Excess amount for set off - NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	36,78,200.00
(ii)	Total amount spent for the Financial Year	36,78,200.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2017-2018	NIL	NIL	NIL	NIL	NIL	NIL
2.	2018-2019	NIL	NIL	NIL	NIL	NIL	NIL
3.	2019-2020	NIL	NIL	NIL	NIL	NIL	NIL
	Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total							

10. Details relating to the asset created or acquired through CSR spent in the financial year- N.A.

(a) Date of creation or acquisition of the capital asset(s). – N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset. – N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – N.A.

for Born Commerce Private Limited

	Ritesh Mohan Idnani	Vivek Satish Agarwal
Date: June 24, 2021	Director	Director
Place: Chennai	DIN: 06403188	DIN: 05218475

INDEPENDENT AUDITORS' REPORT

To the Members of Born Commerce Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Born Commerce Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 and Board of Directors' Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 it 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 the statement of cash flows dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
    e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

(B) With respect to the other matters to be included in the Auditors' 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year. Accordingly, the reporting under the provisions of Section 197 of the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner

Place: Pune
Membership No. 215165

Date: June 24, 2021
UDIN: 21215165AAAACB8251

Annexure A to the Independent Auditors' report on the financial statements of Born Commerce Private Limited for the period ended 31 March 2021

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets, by which all its property, plant equipment is verified once in 3 years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and its nature of assets. In accordance with this program, all property, plant and equipment were physically verified by the management during the year ended 31 March 2019 and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company does not own any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable.

(ii) The Company is a service company, primarily rendering information technology enabled services and does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, guarantees, investments and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules made thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Goods and Services Tax, Duty of Customs and other material statutory dues have generally been regularly deposited during the year by the Company with appropriate authorities. As explained to us, during the current year, the Company did not have any dues on account of cess.

According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income tax ,Goods and Service Tax, Duty of Customs and other statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans and borrowings to its banks. The Company did not have any outstanding loans or borrowings to any financial institutions, bank, government, or debenture holders during the year.

(ix) According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanation given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanation given to us and based on our examination of books and records of the Company, no managerial remuneration has been paid during the year the provisions of Section 197 of the Act read with Schedule V of the Act.

(xii) According to the information and explanation given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in accordance with the provisions of Section 177 and 188 of the Act, where applicable. The details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to information and explanation given to us and based on our examination of the records of the Company, the Company has not entered non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to information and explanation given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner

Place: Pune
Membership No. 215165

Date: June 24, 2021
UDIN: 21215165AAAACB8251

Annexure B to the Independent Auditors' report on the financial statements of Born Commerce Private Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Born Commerce Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashish Gupta
Partner

Place: Pune
Membership No. 215165

Date: June 24, 2021
UDIN: 21215165AAAACB8251

BORN COMMERCE PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

(All amounts are in Rs. in Lacs, unless otherwise stated)

Particulars	Notes	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant & equipment	3	50	102
Right to use of asset	3A	2,238	2,937
Intangible assets	4	21	29
Financial assets			
(a) Other financial assets	5	378	352
Deferred tax assets (net)	6	461	341
Income tax assets (net)		77	70
Other non-current assets	7	-	12
		3,225	**3,843**
Current Assets			
Financial assets			
(a) Trade receivables	8	6,875	9,095
(b) Cash & cash equivalents	9	2,976	78
(c) Other financial assets	10	1,351	105
Other current assets	11	1,091	449
		12,293	9,727
Total Assets		**15,518**	**13,570**
EQUITY & LIABILITIES			
Equity			
Equity share capital	12	643	643
Other equity	13	9,426	7,143
Total equity		**10,069**	**7,786**
Non-current liabilities			
Financial liabilities			
(a) Lease liabilities	27	1,875	2,534
Provisions	14	784	307
		2,659	**2,841**
Current liabilities			
Financial liabilities			
(a) Lease liabilities		637	661
(b) Short term borrowings	15	-	338
(c) Trade payables	16		
- total outstanding dues of micro & small enterprises		101	140
- total outstanding dues of creditors other than micro & small enterprises		447	408
(d) Other financial liabilities	17	1,027	669
Provisions	18	195	261
Other current liabilities	19	383	466
		2,790	**2,943**
Total liabilities		**5,449**	**5,784**
Total equity & liabilities		**15,518**	**13,570**
Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

For and on behalf of the Board of Directors of
Born Commerce Private Limited
CIN: U93090TN2011PTC094977

Ashish Gupta
Partner
Membership No. 215165

Vivek Agarwal
Director
DIN: 05218475

Ritesh Idnani
Director
DIN: 06403188

Place: Pune
Date: June 24, 2021

Place: Chennai
Date: June 24, 2021

Place: Chennai
Date: June 24, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in Rs. in Lacs, unless otherwise stated)

	Particulars	Notes	March 31, 2021	March 31, 2020
I	**Income**			
	Revenue from operations	20	19,759	16,634
	Other income	21	179	818
	Total income		**19,938**	**17,452**
II	**Expenses**			
	Employee benefits expense	22	13,553	11,228
	Other expenses	23	2,425	2,436
	Depreciation and amortisation expense		772	746
	Finance costs	24	124	229
	Total expenses		**16,874**	**14,639**
III	**Profit before tax (I-II)**		**3,064**	**2,813**
IV	**Tax expenses**			
	Current tax	6	802	573
	Deferred tax (net)	6	(90)	175
	Total tax expense (Refer Note 7)		**712**	**748**
V	**Profit for the year (III-IV)**		**2,352**	**2,065**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently into Profit/Loss Account			
	Remeasurement Gain/(Losses) of Defined Benefit Obligation		(98)	5
	Tax Effect on the above		29	(2)
	Total other comprehensive loss		**(69)**	**3**
VII	**Total Other Comprehensive Income For the Year (V+VI)**		**2,283**	**2,068**
	Basic and diluted earnings per share [face value of share Rs. 10/- per share]	25	36.61	32.14
	Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

Ashish Gupta
Partner
Membership No. 215165

Place: Pune
Date: June 24, 2021

For and on behalf of the Board of Directors of
Born Commerce Private Limited
CIN: U93090TN2011PTC094977

Vivek Agarwal
Director
DIN: 05218475

Place: Chennai
Date: June 24, 2021

Ritesh Idnani
Director
DIN: 06403188

Place: Chennai
Date: June 24, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rs. in Lacs, unless otherwise stated)

A Equity Share Capital

Particulars	Balance
Balance as at April 1, 2019	**643**
Changes in equity share capital during the year	-
Balance as at March 31, 2020	**643**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**643**

B Other Equity

Particulars	Reserves & Surplus Retained Earnings
Balance as at April 1, 2019	**5,075**
Profit for the year	2,065
Other Comprehensive Income (net)	3
Total Comprehensive Income	**2,068**
Balance as at March 31, 2020	**7,143**
Profit for the year	2,352
Other Comprehensive Income (net)	(69)
Balance as at March 31, 2021	**9,426**

The nature and purpose of reserves are as follows:

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

Ashish Gupta
Partner
Membership No. 215165

Place: Pune
Date: June 24, 2021

For and on behalf of the Board of Directors of
Born Commerce Private Limited
CIN: U93090TN2011PTC094977

Vivek Agarwal
Director
DIN: 05218475

Place: Chennai
Date: June 24, 2021

Ritesh Idnani
Director
DIN: 06403188

Place: Chennai
Date: June 24, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rs. in Lacs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flows from operating activities		
Profit before tax	3,064	2,813
Adjustment for:		
Depreciation and amortisation expense	772	746
Interest Expense	121	217
Unrealised foreign exchange gain / loss	221	(483)
	4,178	**3,293**
Changes in working capital:		
Trade Receivable and other assets	99	(2,090)
Trade Payables, Other Liablities and Provisions	588	831
Cash generated/(used in) from operations	**4,865**	**2,034**
Income taxes paid, net	(816)	(753)
Net cash flow used in operating activities (A)	**4,049**	**1,281**
B. Cash flows used in investing activities		
Purchase of property, plant and equipment	(8)	(47)
Purchase of intangible assets	(5)	-
Net cash used in investing activities (B)	**(13)**	**(47)**
C. Cash flows from financing activities		
Repayment of Lease liabilities	(683)	(578)
Repayment of finance cost	(109)	(156)
Repayment / Proceeds from Borrowings	(338)	(475)
Interest paid on borrowings	(6)	(58)
Net cash from financing activities (C)	**(1,138)**	**(1,267)**
D. Net increase/(decrease) in cash and cash equivalents (A + B +C)	**2,898**	**(33)**
E. Cash and cash equivalents at the beginning of the year	78	111
Cash and cash equivalents at the end of the year	**2,976**	**78**
Components of cash and cash equivalents (refer Note 13)		
Balances with banks		
- on current accounts	2,976	78
Total cash and cash equivalents	**2,976**	**78**

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248 W/W-100022

For and on behalf of the Board of Directors of
Born Commerce Private Limited
CIN: U93090TN2011PTC094977

Ashish Gupta
Partner
Membership No. 215165

Vivek Agarwal
Director
DIN: 05218475

Ritesh Idnani
Director
DIN: 06403188

Place: Pune
Date: June 24, 2021

Place: Chennai
Date: June 24, 2021

Place: Chennai
Date: June 24, 2021

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in Rs. in Lacs, unless otherwise stated)

1 Company overview

Born Commerce Private Limited ('the Company') was incorporated on January 21, 2011, having its registered office at 2nd Floor, Hardy Tower, Ramanujan IT SEZ TRIL Infopark Ltd, Chennai. During the previous financial year, the Company was acquired by Tech Mahindra Limited. The Company is engaged in providing offshore production services (i.e) pre-media, digital media and e-commerce services to its group companies located outside India and sale to other external customers.

The Company would meet the defination of a Public Limited Company with effect from November 25, 2019 consequent to the acquisition by Tech Mahindra Limited.The Company is now a 100% subsidiary of Tech Mahindra Limited. Also refer note 34 on scheme of merger.

2 Significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, and other relevant provisions of the Companies Act, 2013.

2.2 Basis for preparation of financial statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial instruments which are measured at fair values. The financial statements are presented in Indian rupees (Rs.) which is also the functional currency of the Company. The financial statements are presented in Indian rupees rounded off to the nearest lacs.

All assets and liabilities have been classified as current and non-current as per the criteria set out in Schedule III to the Act.

Details of the Company's accounting policies are included in paragraphs 2.4 to 2.14.

These financial statements were authorised and issued on 24 June 2021

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of income and expenses during the period reported. Although these estimates are based upon management's best knowledge of current events and actions; actual results could differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to the accounting estimates are recognised prospectively in current and future periods.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of income taxes, provisions, defined benefit plan and compensated abscences, leases, revenue recognition, estimation uncertainties relating to the Covid-19 pandemic, these are discussed below.

i) Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. The policy for the same has been explained under Note 2.10.

ii) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.9

iii) Defined benefit plan and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. 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 policy for the same has been explained under Note 2.8

iv) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment, including assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Refer note 2.11 for detailed accounting policies on leases

v) Revenue recognition

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or existence of enforceable right to payment for performance to date. The policy has been explained under Note 2.6.

vi) Estimation uncertainties relating to the Covid-19 pandemic

The Company has considered the possible effects that may result from Covid-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

2.4 Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible assets are stated at cost, less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets comprise of Computer software. Costs relating to Computer software, which are acquired, are capitalised and amortised on a straight-line basis over their useful lives.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation and amortisation is provided using the straight-line method using the rates arrived at, based on the useful lives estimated by the management, based on a technical assessment. The company has continued to retain the existing useful life, which are, in all cases either lower or equal to the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013 and the company has maintained adequate technical assessment to justify the same.

Assets costing less than Rs. 5,000 each are depreciated fully in the year of acquisition.

The estimated useful lives of the assets are as under:

Asset	Life
Leasehold improvements	Estimated useful life (5 years) or lease term, whichever is lower
Computer & Accessories	
(i) Servers and networks	6 years
(ii) End user devices, such as, desktops, laptops, etc	3 years
Furniture and fixtures*	5 years
Office Equipment	5 years

*For the class of assets mentioned above, based on internal technical assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

An item of property, plant & equipment and intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant & equipment and intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

2.5 Impairment

Financial assets:

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Non financial assets:

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.6 Revenue recognition

Revenue is recognised or performance obligation is satisfied upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue from operations includes revenue earned from services rendered on cost plus basis, time and material basis, fixed price maintenance costs and fixed price development contracts.

Revenue from services rendered under the time & material contracts are recognised on output basis measured by efforts expended.

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered.

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

Dividend income is recorded when the right to receive payment is established.

Interest income is recognised using the effective interest method.

2.7 Foreign currency transactions

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year are recognised as income or as expense in the year in which they arise.

2.8 Retirement and other employee benefits

i. Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

ii. Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset."

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

iii. Compensated absences

Compensated absences other than short term in nature are provided for on the basis of an actuarial valuation made at the end of the financial year. The actuarial method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Short term compensated absences are recognised at the undiscounted amount expected to be paid in exchange for the service rendered.

iv. Short term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.9 Provisions and contingencies

A provision is recognised when the Company has a present obligation resulting from past events and it is probable that an outflow of resources will be required to settle the obligation for which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

A disclosure for a contingent liability is made when there is a possible or a present obligation, resulting from past events and it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate cannot be made. Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and the related income are recognised in the period in which the change occurs.

2.10 Income taxes

Income tax comprises of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except for the items directly recognised in equity or in other comprehensive income.

Current tax

The current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income-tax Act, 1961 ('Income-tax act') and any adjustment to taxes in respect of previous years.

Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax assets are recognised to the extent 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant Company intends to settle its current tax assets and liabilities on a net basis.

2.11 Leases

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

Company as a lessee

The Company recognises right of use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right of use asset. Where the carrying amount of the right of use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.12 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Non derivative financial instruments

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

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 (‘FVOCI’)

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 and loss (‘FVTPL’)

Financial assets are measured at fair value through profit and 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 and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximate fair value to short-term maturity of these instruments.

De-recognition of financial instruments

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from the Company’s balance sheet when obligation specified in the contract is discharged or cancelled or expired.

Fair value of financial instruments

In determining the fair value of its financial instrument, the Company uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares considered for computing Basic earnings per share and the weighted average number of equity shares which may be issued on conversion of dilutive potential equity shares into equity shares.

2.13 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to:

a) Change in existing presentation requirements for certain items in the Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The Company is currently evaluating the impact of these amendments.

3 Property, plant and equipment

Particulars	Computer and accessories	Furniture and fittings	Office equipments	Leasehold Improvements	Total
Cost as at April 1, 2019	**491**	**79**	**195**	**254**	**1,019**
Additions	18	3	4	-	25
Deletions	-	-	-	-	-
Balance as at March 31, 2020	**509**	**82**	**199**	**254**	**1,044**
Additions	6	-	2	-	8
Deletions	-	-	-	-	-
Balance as at March 31, 2021	**515**	**82**	**201**	**254**	**1,052**
Accumulated Depreciation					
As at April 1, 2019	**393**	**76**	**159**	**248**	**876**
Depreciation	45	1	17	3	66
Deletions	-	-	-	-	-
Balance as at March 31, 2020	**438**	**77**	**176**	**251**	**942**
Depreciation	43	2	13	2	60
Deletions	-	-	-	-	-
Balance as at March 31, 2021	**481**	**79**	**189**	**253**	**1,002**
Net Block					
As at March 31, 2021	**34**	**3**	**12**	**1**	**50**
As at March 31, 2020	**71**	**5**	**23**	**3**	**102**

3A Right to Use of Asset

Particulars	Office lease	Total
Gross Block		
As at April 1, 2019	4,153	4,153
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	**4,153**	**4,153**
Additions	-	-
Deletions	-	-
Balance as at March 31, 2021	**4,153**	**4,153**
Accumulated Depreciation		
As at April 1, 2019	549	549
Depreciation for the year	667	667
Disposals/Adjustments	-	-
As at March 31, 2020	**1,216**	**1,216**
Depreciation for the year	699	699
Deletions	-	-
As at March 31, 2021	**1,915**	**1,915**
Net Block		
As at March 31, 2021	**2,238**	**2,238**
As at March 31, 2020	2,937	2,937

4 Intangible assets

Particulars	Software	Total
Gross block		
Cost as at April 1, 2019	303	303
Additions	4	4
Deletions	-	-
Balance as at March 31, 2020	**307**	**307**
Additions	5	5
Deletions	-	-
Balance as at March 31, 2021	**312**	**312**
Accumulated Depreciation		
As at April 1, 2019	264	264
Depreciation	14	14
Deletions	-	-
Balance as at March 31, 2020	**278**	**278**
Depreciation	13	13
Deletions	-	-
Balance as at March 31, 2021	**291**	**291**
Net block		
At 31 March 2021	**21**	**21**
At 31 March 2020	29	29

5 Other Financials Assets - Non-Current

	As at March 31, 2021	As at March 31, 2020
Security deposits		
Unsecured, considered good	378	352
Considered doubtful	17	17
Provision for security deposits	(17)	(17)
	378	**352**

6 Deferred tax asset (net)

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets (net)		
Property, plant and equipment	49	46
Employee benefits	342	226
Provision and Accruals	-	5
Right of Use Assets (Net)	70	64
	461	**341**

Tax expense

A. Amount recognised in statement of profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	802	573
Deferred tax	(119)	177
Total tax expense	**683**	**750**

B. Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	3,064	2,813
Enacted tax rate	29.12%	29.12%
Computed tax expense	893	819
Tax effect of :		
Allowance under Section 10AA of Income Tax Act, 1961	(280)	(307)
Expenses disallowed for tax purpose	1	218
Change in tax rate	72	40
Ind AS 116 transition impact	-	(23)
Others	(3)	3
Income tax expense recognised in statement of profit and loss	**683**	**750**

Movement in deferred tax assets and liabilities

Particulars	**For the year ended March 31, 2021**			
	Opening balance	**Recognised in statement of profit and loss account**	**Recognised in other comprehensive income**	**Closing balance**
Depreciation and amortisation	110	9	-	119
Employee benefits	226	86	29	341
Others	5	(5)	-	-
Total	**341**	**90**	**29**	**460**

Particulars	**For the year ended March 31, 2020**			
	Opening balance	**Recognised in statement of profit and loss account**	**Recognised in other comprehensive income**	**Closing balance**
Depreciation and amortisation	102	8	-	110
Employee benefits	150	78	(2)	226
Provisions and Accruals	6	(1)		5
MAT credit	260	(260)	-	-
Total	**518**	**(175)**	**(2)**	**341**

7 Other Non-Current Assets	**As at March 31, 2021**	**As at March 31, 2020**
Prepaid expenses	-	12
	-	**12**

8 Trade receivables

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Others		
Receivables (unsecured, considered good)	6,875	9,095
Receivables- credit impaired	-	-
Less: Allowance for expected credit loss	-	-
	6,875	**9,095**

9 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	2,976	78
	2,976	**78**

10 Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
Receivables from employees	0	3
Accrued Interest	3	-
Unbilled revenue	1,348	102
	1,351	**105**

11 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
Contract assets	516	37
Prepaid expenses	258	193
Balances with government authorities	317	219
	1,091	**449**

12 Equity Share capital

a.

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised :		
80,00,000 (March 31, 2020: 8,000,000) equity shares of Rs 10 each	800	800
Total	**800**	**800**
Issued, subscribed and paid-up:		
6,425,285 (March 31, 2020: 6,425,285) equity shares of Rs 10 each, fully paid-up	643	643
	643	**643**

b. Reconciliation for number of shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Number of shares outstanding at the beginning and at the end of the year	6,425,285	6,425,285

c. Rights, preferences and restrictions attached to shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shares held by holding company and subsidiaries of holding company or ultimate holding company and its associates along with percentage of shareholding is as given below:

	As at March 31, 2021		
	No. of shares	**% held**	**% held**
Tech Mahindra Limited, the holding company	6,425,284	99.99%	99.99%
6,425,284 equity shares of Rs.10/- each			
Tech Mahindra Limited jointly with Manoj Bhat	1	0.00%	0.00%

e During the period of five years immediately preceding the balance sheet date, no equity shares were allotted as fully paid-up pursuant to contract without payment being received in cash.

f. During the financial year ended 2019-20, the Company was acquired by Tech Mahindra Limited through a Share Purchase Agreement (the "SPA") dated 25 November 2019. In accordance with this SPA, 100% of equity share capital was acquired by Tech Mahindra Limited.

13 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance at the beginning of the year	7,143	5,075
Profit for the year	2,352	2,065
Other comprehensive Income (net of tax)	(69)	3
Balance at the end of the year	**9,426**	**7,143**

14 Provisions - Non Current

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity	514	307
Provision for compensated absences	270	137
	784	**444**

15 Short-term borrowings (Secured)

	As at March 31, 2021	As at March 31, 2020
Working capital loan from bank*	-	338
	-	**338**

* During the current year the Company has closed the cash credit facility and obtained a NOC from the bank on Jan 6, 2021. It was secured against book debts and letter of awarness from the holding company. The borrowing carried an interest rate of 11% p.a and was repayable on demand.

16 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
- dues of micro enterprise and small enterprises	101	140
- dues of creditors other than micro enterprise and small enterprises	447	408
	548	**548**

17 Other Financial Liabilities - Current

	As at March 31, 2021	As at March 31, 2020
Dues to employees	1,027	669
	1,027	**669**

18 Provisions Current

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	82	64
- Compensated absences	113	61
	195	**125**

19 Other Current Liabilities

	As at March 31, 2021	As at March 31, 2020
Deferred revenue	69	272
Statutory dues payable	314	194
	383	**466**

20 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from digital media and ecommerce services	19,759	16,634
	19,759	**16,634**

a. Disaggregation of revenue

Revenue disaggregation by geography is as follows:

Geography	Year ended March 31, 2021	Year ended March 31, 2020
India	978	824
Rest of the World	18,781	15,810
Total	**19,759**	**16,634**

Geographical revenue is allocated based on the location of the customer

Nature of relationship	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from related parties	14,505	14,801
Revenue from third parties	5,254	1,833
Total	**19,759**	**16,634**

During the year ended Match 31, 2021, the following customers individually accounted for more than 10% of the revenue.

Born Group Inc

Born London Limited

Born Group Pte Limited

The Company has evaluated the impact of the COVID-19 pandemic, amongst other matters, resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) termination or deferment of contracts by customers and (iii) customer disputes. The Company has concluded that the impact of the COVID-19 pandemic is not material based on these estimates.

b Remaining performance obligations

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, adjustments for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2021 other than those meeting the exclusion criteria mentioned above, is Rs. 4,407 . Out of this, the Company expects to recognise revenue of around 94% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessments the occurrence of the same is expected to be remote.

c. Contract assets and Liabilities

Changes in the contract assets balances during the year ended March 31, 2021 are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract Assets:		
Opening balance	37	50
Add: Revenue recognised during the year	1,651	294
Less : Invoiced during the year	(1,172)	(307)
Closing balance	**516**	**37**

Changes in the unearned revenue balances during the year ended March 31,2021 are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Unearned Revenue		
Opening balance	272	-
Less: Revenue recognised that was included in the unearned revenue at the beginning of the year		-
Add: Invoiced during the year (excluding revenue recognized during the year)	(202)	272
Closing balance	**70**	**272**

d. Contract Price

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

The Company has recognized revenue of Rs. 19,759 which is not adjusted any discounts for the year ended March 31, 2021.

21 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on		
- security deposits	27	25
Lease Concession	48	-
Foreign exchange gain (net)	-	749
Miscellaneous income	104	44
	179	**818**

22 Employee benefit expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	12,751	10,471
Gratuity	142	118
Contribution to provident and other funds	583	458
Staff welfare expenses	77	181
	13,553	**11,228**

23 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	27	92
Equipment rental	477	273
Maintenance charges	481	389
Insurance	7	4
Legal and professional fees	195	239
Communication costs	112	108
Printing and Stationery	2	12
Travelling and conveyance	23	670
Security charges	31	29
Outwork charges	678	538
Rates and taxes	5	10
Foreign exchange gain (net)	308	-
Corporate Social Responsibility Expenditure	37	24
Payment to auditors		
For statutory audit	20	19
For taxation matters	12	12
Miscellaneous expenses	10	16
	2,425	**2,436**

(i) As per provisions of section 135 of Companies Act 2013, the Company was required to spend Rs.37 (2020: Rs.24) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. Accordingly, the Company has spent Rs. 37 in current year (2020: Rs. 24) towards Corporate Social Responsibility activities.

a) Gross amount required to be spent by the Company during the year - Rs. 37

b) Amount spent during the year : Rs. 37

The breakup of expenditure incurred on CSR activities -

All amounts in Rs. Lacs unless otherwise stated

	For the year ended	
	31-Mar-21	**31-Mar-20**
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Contribution made to Tech Mahindra Foundation	37	24

24 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on income tax	6	2
Interest on working capital loan	6	58
Interest on lease liabilities	109	156
Bank charges	3	13
	124	**229**

25 Earnings per share:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after taxation	2,352	2,065
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	6,425,285	6,425,285
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	6,425,285	6,425,285
Nominal Value per Equity Share (in Rs.)	10	10
Earnings Per Share (Basic) (in Rs.)	36.61	32.14
Earnings Per Share (Diluted) (in Rs.)	36.61	32.14

26 Fair value measurement

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2.12 to the financial statements.

I Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortised cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	6,875	-	-	6,875	6,875
Cash and cash equivalents	2,976	-	-	2,976	2,976
Others financial assets	1,729	-	-	1,729	1,729
Total	**11,580**	**-**	**-**	**11,580**	**11,580**
Financial liabilities					
Borrowings	-	-	-	-	-
Lease Liabilities	2,512	-	-	2,512	2,512
Trade payables	548	-	-	548	548
Other financial liabilities	1,027	-	-	1,027	1,027
Total	**4,087**	**-**	**-**	**4,087**	**4,087**

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Amortised cost	FVTPL	FVOCI	Total carrying amount	Total fair value
Financial assets					
Trade receivables	9,095	-	-	9,095	9,095
Cash and cash equivalents	78	-	-	78	78
Others financial assets	457	-	-	457	457
Total	**9,630**	**-**	**-**	**9,630**	**9,630**
Financial liabilities					
Borrowings	338	-	-	338	338
Lease Liabilities	3,195	-	-	3,195	3,195
Trade payables	548	-	-	548	548
Other financial liabilities	669	-	-	669	669
Total	**4,750**	**-**	**-**	**4,750**	**4,750**

Valuation technique:

Carrying amounts of trade receivables, cash and cash equivalents, loans, other financial assets, short-term bank borrowings, trade payables and other financial liabilities as at March 31, 2021 & March 31, 2020 approximates the fair value because of their short term nature.

II Financial instrument by hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There are no financial instruments measured at FVTPL or FVOCI as on March 31, 2021 & March 31, 2020

III Financial Risk Management

The Company's activities expose it to the following risks arising from financial instruments:

a) Market risk

b) Credit risk

c) Liquidity risk

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the fair value of financial instrument may result from changes in the foreign currency rate, interest rate and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company primarily is an export oriented unit and earns its revenue in foreign currency. Consequently, the Company is exposed to foreign exchange risk on its trade receivables and purchases from overseas suppliers in foreign currencies.

The following analysis has been worked out based on the net exposures of the Company as of the date of the balance sheet which could affect the statement of profit and loss.

The following table sets forth information relating to foreign currency exposure as at March 31, 2021:

Particulars	EUR	USD	Total
Financial assets			
Trade receivables	692	5,962	6,654

1% appreciation/depreciation of respective foreign currency with respect to functional currency of the Company would result in increase/decrease in Company's profit by Rs 67

The following table sets forth information relating to foreign currency exposure as at March 31, 2020:

Particulars	EUR	USD	Total
Financial assets			
Trade receivables	262	8,756	9,018

1% appreciation/depreciation of respective foreign currency with respect to functional currency of the Company would result in increase/decrease in Company's profit by Rs 91.

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financing activities including cash and cash equivalents.

Trade receivables and unbilled revenue:

The credit risk is limited since primarily trade receivables and unbilled revenue pertain to revenue generated through related party transactions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. . The maximum exposure to credit risk was Rs.11,580 & Rs. 9,630 as at March 31, 2021 & March 31, 2020 respectively, being the total of the carrying amount of trade receivables, cash and cash equivalents and other financial assets.

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each balance sheet date whether a financial asset is impaired. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. As on March 31, 2021, expected credit loss allowance is Rs. Nil. (March 31, 2020 : Rs. Nil)

Cash and cash equivalents:

Credit risk on cash and cash equivalents is limited as it is generally invested in deposits with banks and financial institutions in India with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated through operations. The Company believes that its working capital is sufficient to meet its contractual outflows.

The following are the remaining contractual maturities of financial liabilities as at March 31, 2021:

Particulars	**Contractual cash flows**			
	< 1 year	**1-5 years**	**>5 Years**	**Total**
Trade payables	548	-	-	548
Borrowings	-	-	-	-
Lease Liabilities	637	1,875	-	2,512
Other financial liabilities	1,027	-	-	1,027

The following are the remaining contractual maturities of financial liabilities as at March 31, 2020:

Particulars	**Contractual cash flows**			
	< 1 year	**1-5 years**	**>5 Years**	**Total**
Trade payables	548	-	-	548
Borrowings	338	-	-	338
Lease Liabilities	771	2,705	203	3,679
Other financial liabilities	669	-	-	669

Capital management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders value.

27 Leases

As a Lessee:

The total cash outflow for leases is Rs. 792 for the year ended March 31, 2021 and Rs. 730 for the year ended March 31,2020, including cash outflow for short term and low value leases.

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rentals payables	873	2,287	-

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

Particulars	**Not later than 1 year**	**Later than 1 year not later than 5 years**	**Later than 5 years**
Minimum Lease rentals payables	771	2,705	203

28 Disclosure on cash and non-cash changes for liabilities arising from financing activities:

(Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended March 31, 2021:

Particulars	Opening balance	Cash flow	Non cash charges (Finance charges)	Closing balance
Lease Liability	3,195	(792)	109	2,512
Borrowings	338	(344)	6	-

29 Due of micro enterprise and small enterprises

Based on the information available with the company, there are below outstanding amounts payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

Particulars	As at March 31, 2021		As at March 31, 2020	
	Principal	Interest	Principal	Interest
Amount due to Vendor	101	-	140	-
Principle amounts paid (includes unpaid) beyond appointed date	1,041	-	972	-
Interest due and payable for the year	-	5	-	10
Interest accrued and remaining unpaid	-	16	-	11

Further interest due and payable even in the succeeding years, until such date when the interest dues

30 Segment reporting

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas and major customers.

Based on the 'management approach' as defined in Ind AS 108, the management evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented on business segments and geographic segments.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker monitors the operating results of the Company's business as single segment.

Business segment:

The Company is engaged in the business of providing services connected to digital media and e-commerce. As the Company is engaged in only one business segment, the balance sheet as at March 31, 2021 and statement of profit and loss for the year ended then pertain to only one business segment.

Geographical segment:

Refer Note 20 for disaggregation of revenue based on geographies.

31 Related party disclosures

As required by Ind AS 24 - Related Party Disclosures, following are details of transactions during the year ended March 31, 2021 and outstanding balances as of that date with the related parties of the Company as defined in Ind AS 24.

a. Names of related parties and related party relationship

Related parties where control exists	
Ultimate Holding Company	Tech Mahindra Limited
Related parties with whom transactions have taken place	
Fellow subsidiaries	Born London Limited
	Born Group Inc., USA
	Born Japan Kabhushiki kaisha, Japan
	Born Group Pte limited, Singapore
	Born Digital SDN BHD, Malaysia

b. Related party transactions

Name of entity	Country of incorporation	Year	Sale / (Purchase) of services	Trade receivables / (payables)
Born Group Inc.	United States of America	March 31, 2021	4,717	1,691
		March 31, 2020	5,429	2,740
Born London Limited	United Kingdom	March 31, 2021	3,600	2,426
		March 31, 2020	3,827	3,180
Born Group Pte Limited	Singapore	March 31, 2021	4,377	1,673
		March 31, 2020	4,022	2,248
Born Japan Kabhushiki Kaisha	Japan	March 31, 2021	-15	(1)
		March 31, 2020	88	63
Born Digital SDN BHD	Malaysia	March 31, 2021	829	65
		March 31, 2020	1,436	488
Tech Mahindra Limited	India	March 31, 2021	255	48
		March 31, 2020	-	-

Remuneration to key managerial personnel

Name of key managerial personnel	As at March 31, 2021	As at March 31, 2020
Salary, bonus, contribution to provident fund and Reimbursement of expenses		
Prakash Gurumoorthy	-	599

Note : Mr. Prakash Gurumoorthy is not a director of the Company post its acquistion by Tech Mahindra Limited and neither does he hold a position which gives him the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly as per Ind AS-24. Hence he is not included as a Key managerial person of the Company.

32 Employee benefit plans

a. Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The company has no obligations other than to make specified contributions. These contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs. 583 (March 31, 2020: Rs. 458)..

b. Defined benefit plans:

The following table provides the disclosures in accordance with Ind AS 19 - Employee Benefits:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	595	371
Fair value of plan assets	-	-
Liability recognised in balance sheet	**595**	**371**
Change in defined benefit obligation		
As at beginning of the year	371	282
Current service cost	123	100
Interest cost	19	18
Past service cost	-	-
Actuarial gains	98	(5)
Benefit payments	(16)	(24)
Balance as at end of the year	**595**	**371**

Particulars	As at March 31, 2021	As at March 31, 2020
Expense recognised in the statement of profit and loss		
Current service cost	123	100
Interest cost	19	18
Past service cost	-	-
Net gratuity cost included in employee benefit expense	**142**	**118**

Particulars	As at March 31, 2021	As at March 31, 2020
Other comprehensive income		
Opening amount recognised in OCI outside Profit & Loss Account	13	18
Actuarial gains		
- change in demographic assumptions	2	(28)
- change in financial assumptions	20	(6)
- experience variance (i.e. Actual experience vs assumptions)	76	29
Return on plan assets, excluding amount recognised in net interest expense		
Components of defined benefit costs recognised in other comprehensive income	**111**	**13**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation (Base)	595	371

Particulars	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	2.72	2.59	2.39	2.29
(% change compared to base due to sensitivity)				
Salary growth rate (- / + 1%)	2.61	2.53	2.34	2.27
(% change compared to base due to sensitivity)				

Projected benefits payable in future years from the date of reporting (valued on undiscounted basis):

1 year	81
2 to 5 years	341
6 to 10 years	209
More than 10 years	202

Principal assumptions	As at March 31, 2021	As at March 31, 2020
Discount rate	5.60%	5.65%
Salary escalation rate	7.25%	7.25%
Employee turnover	21.00%	24.00%
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	

33 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to the financial year ended 31 March 2021.

34 Proposed Scheme of Merger by Absorption

On January 29, 2021, the Board of Directors of the Company passed a resolution to consider and approve the Scheme of Merger by Absorption of the Company and Tech Mahindra Business Services Limited (Fellow Subsidiary) with its Holding Company i.e. Tech Mahindra Limited and their respective shareholders under the provisions of section 230 to 232 of the Companies Act, 2013. Accordingly, the Company has filed the application before Hon'ble National Company Law Tribunal (“”NCLT””), Chennai Bench. The appointed date under the proposed scheme is April 1, 2021. However, as the Hon'ble National Company Law Tribunal, Chennai Bench (‘NCLT’) is yet to approve the same, the Scheme is not yet effective.

Once this Scheme comes into effect, the Company will stand dissolved without winding-up. The entire business and whole of the Undertaking of the Company shall be and stand vested in or be deemed to have been vested in the Holding Company, as a going concern

As per our report of even date

For B S R & Co. LLP	**For and on behalf of the Board of Directors of**	
Chartered Accountants	**Born Commerce Private Limited**	
Firm Registration No.: 101248 W/W-100022	CIN: U93090TN2011PTC094977	
Ashish Gupta	**Vivek Agarwal**	**Ritesh Idnani**
Partner	Director	Director
Membership No. 215165	DIN: 05218475	DIN: 06403188
Place: Pune	Place: Chennai	Place: Chennai
Date: June 24, 2021	Date: June 24, 2021	Date: June 24, 2021

COMVIVA TECHNOLOGIES LIMITED

Board of Directors:
Jagdish Mitra
Vivek Satish Agarwal
Sunita Umesh
Rajat Mukherjee
Manishkumar Murlimanohar Vyas

Registered No:
041214

Registered Office:
5th, 7th, 8th floor, Capital Cyberscape,
Golf Course Extension Road, Gurugram,
Haryana 122102

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Twenty Second Annual Report together with Audited Balance Sheet and Statement of Profit & Loss along with cash flow statement for the year ended on March 31, 2021.

The major Financial Highlights are as under:

		Figures in Rs. Mn
FINANCIAL RESULTS	**2020-21**	**2019-20***
Total Income	6,815	6,670
Profit before Depreciation & Taxation	1,493	1,244
(-) Depreciation	269	248
Exceptional items :		
(+) Additional consideration on sale of subsidiary	730	-
(+) Profit on sale of investment in subsidiary	-	473
(-) Provision for impairment	-	41
Profit before Taxation	1,954	1,428
(-) Provision for Income Tax	(614)	(496)
(-) Deferred Tax Reversal /(charge)	93	(153)
Profit for the period	1,433	779
EPS Basic (Rs.)	65.51	35.62
EPS Diluted (Rs.)	65.51	35.62

*Restated numbers (for more details refer note 44 of standalone financials)

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

Total Income for the year 2020-21 is Rs. 6,815 Mn as against Rs. 6,670 Mn in previous year.

In the concluded Financial Year, despite the challenging pandemic environment the company is able to achieve growth in revenue performance with growth in Digital Financial Services, Digital Business Support Solution and Consumer Value Management businesses. Although there are some region specific challenges faced in the order book compared to previous year especially in LatAm, Europe and SEA regions. We expect the order book to bounce back next year with increased traction and orders from the customers in the Company's products and solutions businesses in the Consumer

Value Management, Digital Financial Services and Digital Business Support Solution space and the Company expects that these will continue to exhibit high growth in the coming years.

Order book of our traditional products like MobiLytix, Mobiquity Pay® and DBSS continues to be strong. We have seen significant traction in the market for our MobiLytix product with several new customers. The Company's strategy of focusing on key accounts for cross-sell / up-sell of new products continues to produce good results. The company continues to invest in newer products such as FactoReal, YABX and a new NPI from FY22 onwards which are expected to contribute to revenue growth in coming years.

For the next Financial Year, the economic situation across the globe is expected to improve moderately as the countries expand their vaccination drives, the company is expected to grow from current levels on account of higher order book achievement, continued focus on the developing markets and in leveraging its existing customer relationships and also from the continued push for diversification into non-telco markets such as BFSI & retail industry through extension of its existing product portfolio as well as new products and services which is yielding good results.

Along with the continued investment in its existing product portfolio, the Company is also looking to grow inorganically in the coming years through some strategic acquisitions.

The Company continued to win prestigious awards and mentions over the last year. These include the Global Telecoms Award 2020 in the "Mobile Money Mastery" category for mobiquity Money - COVID-19 Response Solution, the World Communication Award 2020 for AsiaHawala powered by mobqiuity Money, the Telecoms World Middle East Award for the mobiquity® Money – COVID-19 Response Solution offering and the PayTech Awards 2020 in the 'Best Card Initiative' category. Other noteworthy awards include the 2020 CX Asia Excellence Award, the New Age Banking Awards 2020 and the Aegis Graham Bell Awards 2020, at all.

The Company has been regularly participating in international events to take its visibility outside India to greater heights and has been able to achieve significant recognition internationally and nationally.

Complete Annual Report and Annual Return of the company can be viewed / accessed at company's website at https://www.comviva.com

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of the business of the Company during the Financial Year 2020-21.

DIVIDEND

The Directors believe that there are tremendous growth opportunities for the Company and therefore the Company must invest in further expanding and strengthening its business operations. With a view to conserve cash to fund the growth, the Directors do not recommend any dividend on Equity Shares for the year ended March 31, 2021. The Directors believe that this will increase shareholder value in the long term.

TRANSFER TO RESERVE

The entire amount of profits has been transferred to reserves.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statement relate and the date of the report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES-

As on March 31, 2021, your Company has 10 subsidiaries and 5 step-down subsidiaries; all are operational entities.

List of Subsidiaries	List of Step-down Subsidiaries
Comviva Technologies Madagascar Sarlu	Comviva Technologies (Argentina) S.A.
Comviva Technologies Nigeria Limited	Comviva Technologies do Brasil Indústria, Comércio, Importação e Exportação Ltda
Comviva Technologies Singapore Pte. Ltd.	Comviva Technologies Colombia S.A.S
Comviva Technologies FZ LLC	Comviva Technologies (Australia) Pty Ltd.
Comviva Technologies B.V.	Emagine International Pty Ltd
YABX Technologies (Netherlands) BV	
Comviva Technologies Myanmar Limited	
Comviva Technologies USA Inc	
Comviva Technologies Cote D'ivoire	
Yabx India Private Limited	

Comviva Technologies Mexico, S de R.L. de C.V. has been dissolved and liquidated with effect from March 3, 2021. However, the process of cancellation of registration before Mexican tax authorities is pending as on date of this Report. The Company also closed one of its branches established in Ivory Coast with effect from January 25, 2021 and Comviva Technologies FZ-LLC (subsidiary of the Company) cancelled registration of its branch established in Dubai, UAE.

There has not been any material change in the nature of the business of the subsidiaries. As per Companies Act, 2013, the consolidated financial statements of your Company and all its subsidiaries are provided in this Annual Report. The consolidated financial statements have been prepared in accordance with IND AS. The performance and financial position of subsidiaries and step down subsidiaries are included in the consolidated financial statement is provided in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 as a separate statement annexed to the notes on accounts containing the salient features of the financial statement of Company's subsidiaries/joint ventures or associate companies in **Form AOC – 1.**

During the Financial Year 2021, Company incorporated its wholly owned subsidiary in the name of Yabx India Private Limited as on July 15, 2020 to expand its business under its new initiative named as Yabx.

DEPOSITS

Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Chapter V of the Companies Act, 2013.

STATUTORY AUDITORS

Statutory Auditors of the Company, M/s BSR and Co, LLP (Firm Registration No. 101248W/W- 100022) were appointed in Eighteenth Annual General Meeting held in 2017 till the conclusion of Twenty Third Annual General Meeting and shall be slated for re-appointment in 2023.

AUDITOR' S REPORT

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2020-21 by M/s. BSR & Co, LLP.

There are no frauds reported by the auditors under sub-section (12) of section 143 of the Companies Act, 2013.

SECRETARIAL AUDITOR' S REPORT

Secretarial Audit Report given by M/s RMG & Associates, a Company Secretary in practice, has been annexed as Annexure 1 with this report.

There is no qualification, reservation or adverse remark made by the Company Secretary in Practice in the Secretarial Audit Report.

SHARE CAPITAL

The Authorized share capital of the Company is Rs. 33,50,00,000/- and paid up capital is Rs. 21,86,90,000/-.

EMPLOYEES STOCK OPTION PLANS

Company has no ESOP Schemes implemented for the employees as on the date of this Report.

ANNUAL RETURN

As per sub section 3 of section 92 and clause a of sub section 3 of section 134 of the Companies Act, 2013 the same is disclosed on www.comviva.com.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met four (4) times during the Financial Year, notices convening meeting of the Board were duly sent to all the Directors.

Meeting	Date(s) of Meeting
Board Meeting	April 28, 2020, July 24, 2020, October 20, 2020 and January 27, 2021

Further, Four meetings each of Audit Committee; Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee on the following dates:

Meeting	Date(s) of Meeting
Audit Committee Meeting	April 28, 2020, July 24, 2020, October 20, 2020 and January 27, 2021
Nomination and Remuneration Committee	April 28, 2020, July 24, 2020, October 20, 2020 and January 27, 2021
CSR Committee	April 28, 2020, July 24, 2020, October 20, 2020 and January 27, 2021

Further, one (1) meeting of the Independent Directors was held on 17th March, 2021 for the Financial Year 2020-21.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 134(3)(m)

(A) CONSERVATION OF ENERGY

a) The Steps Taken Or Impact On Conservation Of Energy:

Conservation of energy is of utmost significance to the Company. Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by using energy-efficient computers, processes and other office equipment. Constant efforts are made through regular/ preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy.

b) The Steps Taken By The Company To Utilize Alternate Sources Of Energy:

As Company has taken all their premises on lease, alternate source of energy could not be installed.

c) The Capital Investment On Energy Conservation Equipment:

There is no capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

(i) The Efforts Made Towards Technology Absorption

The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

Details of Technology Absorption are given as follows

- Research and Development (R&D)

(a) Specific Area In Which R&D Carried Out By The Company

Company continues to do R&D in the areas of mobile commerce, content and data. As such Company continues to enrich its strong product portfolio in these domains through mobile banking, analytics, and rich engagement, communication, content and delivery platforms.

Company, after having surpassed its vision of touching billion lives through its offerings, has embarked on a vision of building 'Mobility solutions that transforms lives'. The three main pillars of its R&D efforts are around 'Commerce, Content, and Data' and adjunct focus areas are Customer Value Solutions and Managed Services.

R&D primarily consists of below activities in all the products and new innovative MVP's:

(1) New product development

(2) Creating new features and upgrades / version of existing product as per either internal product roadmap, or customer requirement and

(3) Development work by the Core Engineering Team called as SET on the re-usable common components, engineering practices and innovative prototypes that are utilized as part / addition to products developed by the various domain specific product units.

R&D involves rapid prototyping of new products and features in existing products that address the needs of our customers in the market. Focus is around new features, designs, frameworks and methodologies that continue to be of importance to the Company. It not only allows enhancing quality of products and customer satisfaction but also enhances the revenues of customer satisfaction through robust and innovative products.

(b) The Benefits Derived Like Product Improvement, Cost Reduction, Product Development or Im port S ubs ti tution;

Continuous R&D is instrumental in building expertise and increasing revenues through enhancement in functionalities and introduction of new products. The organization is receiving significant client traction for new market capabilities including Factoreal, Yabx, MobiLytix, Mobiquity, CMS (Content) and Data Platforms. Continuous R&D is helping us and our customers in following ways:

- New features to attract additional customers.
- Introduction of new products.
- Better system / product stability
- System / resource optimization-more transaction using same hardware infrastructure
- Reduction in cost of ownership
- Simplicity and user convenience for managing his mobile related services

(C) In Case Of Imported Technology (Imported During Last Three Years Reckoned From The Beginning Of The Financial Year)

(i) Company has not imported technology during the last three years

(ii) Expenditure incurred on R&D..

Figures in Mn INR

S. No.	Particulars	Current year	Previous year
1	Capital	44	35
2	Recurring	510	284
3	Total	554	319
4	Total R&D expenditure as a percentage of total turnover	8.1%	4.8%

(C). FOREIGN EXCHANGE EARNINGS & OUTFLOWS

Company is making continuous efforts to increase its sales in overseas markets and to explore new export markets. During the year under review, the Company has ventured into new markets such as Latin America and South East Asia along with several wins in these markets.

(Amount in INR)

Details of Foreign Exchange Earnings & Outflows	Financial Year ended 31st March, 2021	Financial Year ended 31st March, 2020
Foreign Exchange Earnings	5,566,280,598	5,274,638,303
Foreign Exchange Outflows	1,803,613,572	1,782,556,124

DIRECTORS

A. Changes in Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of the Companies Act, 2013, Mr. Jagdish Mitra (DIN: 06445179) Director, is liable to retire by rotation and being eligible for re-appointment. He has consented to continue to hold office. The Board recommends his re-appointment in the ensuing Annual General Meeting.

During the year Mr. Chander Prakash Gurnani (DIN: 00018234) resigned from the Board with effect from December 12, 2020. Further Mr. Manishkumar Murlimanohar Vyas (DIN: 09042978) has been appointed as an Additional Director of the Company on the recommendation of Nomination and Remuneration Committee with effect from January 25, 2021.

As on date, the Board composition is as follows:

Mr. Manishkumar Murlimanohar Vyas (DIN: 09042978), Mr. Jagdish Mitra (DIN: 06445179) and Mr. Vivek Satish Agarwal (DIN: 05218475) are non-executive directors of the Company.

Mr. Rajat Mukherjee (DIN: 03431635) and Ms. Sunita Umesh (DIN: 06921083) are Independent Directors of the Company.

Number of Board and Committee Meetings Attended				
Directors	**Board Meeting**	**Audit Committee**	**CSR Committee**	**NRC Committee**
CP Gurnani	3	3	3	3
Jagdish Mitra	3	3	3	3
Sunita Umesh	4	4	4	4
Rajat Mukherjee	4	4	4	4
Vivek Satish Agarwal	4	4	4	4
Mr. Manishkumar Murlimanohar Vyas	1	1	1	1

B. Declaration by an Independent Director(s)

Declaration from Independent Directors that they meet the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 has been annexed as per **Annexure 2**.

C. Commission paid to Managing Director or Directors of the Company

During the year under review, there were no executive/managing directors on the Board of Company.

D. Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors. Accordingly, the Chairman of the Nomination and Remuneration Committee obtained from all the board members duly filled in evaluation templates for evaluation of the Board as a whole, evaluation of the committees and peer evaluation. The summary of the evaluation reports were presented to the respective Committees and the Board for their consideration.

E. Policy for selection and appointment of Directors, KMP and their remuneration

The Company has in place a Nomination and Remuneration Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence and other matters provided under section 178(3) of the Companies Act, 2013. The highlights of this policy forms part of this report as **Annexure-3,** however complete policy is available at the company's website at https://www.comviva.com.

The Nomination and Remuneration Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director or KMP. The appointment of Directors, KMP and Senior Management as recommended by the Nomination and Remuneration Committee requires approval of the Board.

The remuneration to the Directors and KMP is proposed by the Nomination and Remuneration Committee in compliance with requirements of the Companies Act and recommended to the Board for their approval. Approval of Shareholders is obtained, if required.

PARTICULARS OF EMPLOYEES u/s 197 OF THE COMPANIES ACT, 2013 r/w COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per the provisions of this section the same is not applicable on the Company

BOARD COMMITTEES

Audit Committee

The Audit Committee consists of the following Directors:

(i) Mr. Jagdish Mitra

(ii) Mr. Rajat Mukherjee

(iii) Ms. Sunita Umesh

Ms. Sunita Umesh is Chairperson of the said Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration committee consist of the following Directors:

(i) Mr. Vivek Satish Agarwal

(ii) Mr. Rajat Mukherjee (iii)Ms. Sunita Umesh

Ms. Sunita Umesh is Chairperson of the said Committee. Mr. CP Gurnani who was member of the Committee resigned with effect from December 12, 2020.

CSR (Corporate Social Responsibility) Committee

A. The CSR Committee consists of the following Directors:

(i) Ms. Sunita Umesh

(ii) Mr. Rajat Mukherjee

(iii) Mr. Jagdish Mitra

Mr. Rajat Mukherjee is Chairman of the said Committee.

B. Contents of the CSR Policy and initiatives taken as detailed in the Annual Report are in Annexure 4 to this report. Complete CSR Policy of the Company is available at the Company's website at https://www.comviva.com.

C. Out of approved CSR spending of Rs. 2,88,65,811/- Company has an outstanding payment of 5,50,122/-. The same has been paid as on the signing of this report.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

The Policy to Prevent & Deal with Sexual Harassment at Work place is in place as per the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

The Internal Complaint Committee (ICC) was in place (see below) and the details have been shared with all employees. Caroline Lobo is the external member in this Committee.

Gurgaon	**Bengaluru**	**Mumbai**
Neena Goel (Chairperson)	Neena Goel (Chairperson)	Neena Goel (Chairperson)
Caroline Lobo (External Consultant)	Caroline Loboa (External Consultant)	Caroline Lobo (External Consultant)
Vaishnavi Shukla	Sunita Jagtiani	Lianne Rodrigues
Anisha Khanna	Pawan S Kulkarni	Tanveer Mahmood M
Ajit Kumar Jain	Mahesh V Ghatage	
Rajendra M Thakur		
Manish Kumar Jain		
Sandeep Bushan Pandita		

During the year under report, there was no complaint which was received by the ICC.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has adopted the Whistle Blower Policy which is available on the Company website at https://www.comviva.com under the 'Who Are We" tab. It has been publicized to employees.

RISK MANAGEMENT POLICY

Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management system, organizational, structure, processes, standards, code of conduct and behaviors together form the risk management matrix that govern how the Company conducts the business and manages associated risks.

Company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Framework and Processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by fully aligned across Companywide risk management, internal control and internal audit methodologies and process.

Company risk management policy was reviewed and approved by the Audit committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 AS ON DATE

Name of Body Corporate	Nature of transaction (whether Loan/Guarantee /Security /Acquisition)	Amount of Loan/Security/ Acquisition / Guarantee (in Rs.)	Purpose of Loan/ Acquisition /Guarantee/ Security
Comviva Technologies Singapore Pte Ltd	Loan	30,344,718	Ongoing funding Requirements as per Business Plan
Comviva Technologies Singapore Pte Ltd	Investment in shares	27,665,560 *	Investment in Subsidiaries
Comviva Technologies FZ- LLC	Investment in shares	767,800	Investment in Subsidiaries
Comviva Technologies Nigeria Limited	Investment in shares	151,156,703	Investment in Subsidiaries
Comviva Technologies B.V.	Investment in shares	293,210,500	Investment in Subsidiaries
Comviva Technologies (Argentina) S.A.	Investment in shares	13,511,974	Investment in Subsidiaries
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA	Investment in shares	2,099,844	Investment in Subsidiaries
Comviva Technologies Madagascar Sarlu	Investment in shares	1,349,802	Investment in Subsidiaries
Comviva Technologies USA Inc	Investment in shares	29,998,000	Investment in Subsidiaries
Comviva Technologies Myanmar Limited	Investment in shares	14,999,000	Investment in Subsidiaries
YABX India Private Limited	Investment in shares	20,000,000	Investment in Subsidiaries
Comviva Technologies B.V.	Corporate Guarantee	2,010,525,000	Corporate Guarantee
	Total (Rs.)	**2,27,24,20,401**	

* Provision for impairment of investment has been created for Rs. 27,665,560

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been annexed in AOC-2 as Annexure 5.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL S IMPACTING GOING CONCERN STAT US AND COM PANY' S OPERAT IONS IN FUTURE

There is no significant and material order passed by the regulators or courts or tribunals impacting

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIALS CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

DIRECTOR S' RESPONSIBILITY STAT EMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is confirmed:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the period under review, the Company has not appointed any Independent Director therefore, the requirement to provide a statement in this regard is not required.

STATEMENT REGARDING COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company is in process to further strengthen its Compliance mechanism with respect to Secretarial Standards issued by The Institute of Company Secretaries of India and it has complied with the applicable Secretarial Standards.

ACKNOWLEDGEMENT

Your Directors on behalf of the Company and management express their gratitude for the co- operation and support received from Customers, Vendors, Shareholders, Bankers, various agencies and departments of Government.

The Directors also place on record their appreciation for the true team spirit, valued contributions and efforts put in by the employees at all levels.

for and on behalf of
Comviva Technologies Limited

	Mr. Vivek Satish Agarwal	**Mr. Jagdish Mitra**
	Director	Director
	DIN: 05218475	DIN: 06445179
Date: April 22, 2021	Place: Bengaluru	Place: Noida

Annexure 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Sect:lon 204 1 o the Coanies Act 2013 and Rule 9 the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members
Comviva Technologies Limited
(CIN: U72200HR1999PLC041214)
5th, 7th & 8th Floor, Capital Cyberscape,
Sector-59, Golf Course Extension Road,
Gurugram, Haryana-122102

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Comviva Technologies Limited** (hereinafter referred to as 'the Company'), having its Registered Office at **5th, 7th & 8th Floor, Capital Cyberscape, Sector-59, Golf Course Extension Road, Gurugram, Haryana-122102.** The Secretarial Audit was conducted in a manner that provided us a reasonable foundation for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification, to the extent possible due to the widespread of COVID – 19 pandemic, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder [Not Applicable as the Company has not listed any of its securities on any Stock Exchange];

   207 & 201, Suchet Chambers, 1224/5, Bank Street, Karol Bagh, New Delhi -110005 Phone: 9212221110, 011-4504 2509; www.rmgcs.com, E-Mail: info@rmgcs.com

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;

V. The Company being an unlisted Company was not required to comply with any of the regulations and / or guidelines as prescribed by the Securities and Exchange Board of India in this regard under the Securities and Exchange Board of India Act, 1992, except following:-

   i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client to the extent of Dematerialisation of Securities by the Company;

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, in our opinion there are systems and processes in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, stricter adherence to the said standards needs to observed by the Company.

2. General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs for conduct of Extra-Ordinary General Meetings/ Annual General Meetings through Video Conferencing (VC) or other audio-visual means (OAVM).

The Company convened its Annual General Meeting on July 20, 2020 through webex audio visual conference facility pursuant to MCA circulars and for passing the resolutions, stated in the notice for convening aforesaid meeting, with requisite majority voting was done through the registered e-mail ids of the shareholders of the Company.

3. Notification No. G.S.R 186 (E) dated March 19, 2020 read with Notification No. G.S.R 395 (E) dated June 23, 2020 issued by the Ministry of Corporate Affairs to conduct the Meetings of the Board or its committees through Video Conferencing (VC) or other audio-visual means (OAVM).

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that the Board of Directors of the Company is constituted with proper balance of Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and consequently the committees were re-constituted, whenever required.

Notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities.

The Company has deposited an amount of Rs. 5,50,122/- (Rupees Five Lakh Fifty Thousand One Hundred and Twenty-Two Only), remaining unspent as on March 31, 2021 out of its total approved CSR obligation for the period under review, in a fund prescribed under Schedule VII of the Act, on April, 22, 2021, in accordance with Section 135(5) of the Act read with Rule 10 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

We further report that there are systems and processes in the Company to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines which are generally being followed by the Company.

We further report that during the audit period, the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above: -

1) The Board of Directors in their meeting held on April 28, 2020 approved to invest funds of Company in wholly owned subsidiaries of the Company i.e. YABX India Private Limited, Comviva Technologies Cote D'ivoire and Comviva Technologies (Netherlands) B.V..

2) The Board of Directors in their meeting held on October 20, 2020 approved to invest funds of Company in its wholly owned subsidiary YABX India Private Limited.

3) Mr. Chander Prakash Gurnani (DIN: 00018234), Director of the Company has tendered his resignation from his office of Director and Chairperson in the Company w.e.f. December 12, 2020;

4) Mr. Manishkumar Murlimanohar Vyas (DIN: 09042978) has been appointed as an Additional Director of the Company w.e.f. January 25, 2021.

5) The Board of Directors in their meeting held on January 27, 2021 approved to invest funds of Company in its wholly owned subsidiary Comviva Technologies (Netherlands) B.V..

Note: This report is to be read with 'Annexure ' attached herewith and forms an integral part of this report.

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

SD/-
CS Manish Gupta
Partner
FCS No. 5123
C P No.: 4095
UDIN: F005123C000161070

Place: New Delhi
Date: April 22, 2021

Annexure

The Members
Comviva Technologies Limited

Our Secretarial Audit Report for the financial year ended March 31, 2021 of even date is to be read along with this letter:

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

For RMG & Associates
Company Secretaries
Firm Registration No. P2001DE16100
Peer Review No. : 734 / 2020

CS Manish Gupta
Partner
FCS No. 5123
C P No.: 4095
UDIN: F005123C000161070

Place: New Delhi
Date: April 22, 2021

Annexure 2

DECLARATION OF INDEPENDENCE

To
The Board of Directors
Comviva Technologies Limited
5th, 7th & 8th Floor, Capital Cyberscape,
Golf course Extension Road
Sector-59, Gurugram
Haryana 122102

Date: April 1, 2021

Sub: Declaration of independence under sub-section (6) of Section 149 of the Companies Act, 2013.

I, Ms. Sunita Umesh, hereby certify that I am a Non-executive Independent Director of Comviva Technologies Limited, Gurugram and comply with all the criteria of independent director as envisaged in Companies Act, 2013.

I hereby certify that:

1. I possess relevant expertise and experience to be an Independent Director in the Company;
2. a. I am/was not a Promoter of the company or its holding, subsidiary or associate Company;

   b. I am not related to Promoters / Directors in the Company, its holding, subsidiary or associate Company;
3. Apart from receiving director sitting fees, I have/had no pecuniary relationship or having transaction not exceeding ten per cent. of my total income or such amount as may be prescribed with the company, its promoters, its directors, or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
4. None of my relatives—

   i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;

      Provided the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid-up share capital of the Company, its holding, subsidiary or associate company or such higher amount as may be prescribed;

   ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, for an amount of Fifty lakhs rupees during the two immediately preceding financial years or during the current financial year;

   iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of Fifty lakhs rupees amount during the two immediately preceding financial years or during the current financial year; or

   iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
5. Neither me nor any of my relatives:

   i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which I am proposed to be appointed;

      Provided that in case of relative who is employee, the restriction under this clause shall not apply for my employment during preceding three financial years;

   ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;

      a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

      b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

iii. holds together with my relatives 2% or more of the total voting power of the company; or

iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an Independent Director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,
Yours faithfully,

Sunita Umesh
DIN: 06921083
Address: R/o R-3A,
Windsor Court, DLF Phase -IV,
Gurugram-122009, Haryana, India

DECLARATION OF INDEPENDENCE

To
The Board of Directors
Comviva Technologies Limited
5th, 7th & 8th Floor, Capital Cyberscape,
Golf course Extension Road
Sector-59, Gurugram
Haryana 122102

Date: April 1, 2021

Sub: Declaration of independence under sub-section (7) of Section 149 of the Companies Act, 2013.

I, Mr. Rajat Mukherjee, hereby certify that I am a Non-executive Independent Director of Comviva Technologies Limited and comply with all the criteria of independent director as envisaged in Companies Act, 2013.

I hereby certify that:

1. I possess relevant expertise and experience to be an Independent Director in the Company;
2. I am/was not a Promoter of the company or its holding, subsidiary or associate Company;
3. I am not related to Promoters / Directors in the Company holding, subsidiary or associate Company;
4. Apart from receiving director sitting fees /Commission, I have/had no pecuniary relationship or having transaction not exceeding ten per cent. of my total income or such amount as may be prescribed with the company , its promoters, its directors, or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
5. None of my relatives—
   i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;

      Provided the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid up share capital of the Company, its holding, subsidiary or associate company or such higher amount as may be prescribed;

   ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, for amount of Fifty lakhs rupees during the two immediately preceding financial years or during the current financial year;

   iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for amount of Fifty lakhs rupees amount during the two immediately preceding financial years or during the current financial year; or

   iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
6. Neither me nor any of my relatives:
   i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which I am proposed to be appointed;

      Provided that in case of relative who is employee, the restriction under this clause shall not apply for my employment during preceding three financial years;

   ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;

   iii. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

   iv. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

   v. holds together with my relatives 2% or more of the total voting power of the company; or

   vi. is a Chief Executive or director, by whatever name called, of any non profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an Independent Director from the date of entering into such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you
Yours faithfully,

Sd/-
Rajat Mukherjee
DIN: 03431635
Address: B1/1, First floor
Vasant Vihar, New Delhi-110057

Annexure 3

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

1. Objective

As a measure of good Corporate Governance and in compliance with the provisions of Section 178 of Companies Act 2013, following policies are formulated:

1.1. Policy on appointment and removal of Key Managerial Personnel and Senior Management;

1.2. Policy on Remuneration to the Key Managerial Personnel, Senior Management and other Employees

1.3. Policy on Directors Training

1.4. Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors,

1.5. Policy on Board Diversity;

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means the Comviva Technologies Limited.

“Committee(s)” means Committees of the Board for the time being in force as per the provisions of the Companies Act 2013.

“Employee” means employee of the Company whether employed in India or outside India including any whole time directors, KMPs & Senior Management who serve the company on a full-time basis and are not employed in any other entity except those which are the subsidiaries of the company or subsidiaries of its majority shareholder.

“HR’ means the Human Resource department of the Company.

“Key Managerial Personnel” and Senior Management (KMP) refers to:

(i) Chairman (CM);

(ii) Managing Director (MD), or Chief Executive Officer (CEO);

(iii) Chief Financial Officer (CFO); and

(iv) Company Secretary (CS)

“Nomination and Remuneration Committee” or “NRC” means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means an employee of the Company who is a member of its Core Management team, which includes CEO, CFO, Company Secretary, Product Unit Heads (for Business units higher than USD 20 million), Global Head of Sales, EVP- New Product Initiatives, Global Head of HR.

3. Constitution of the Nomination and Remuneration Committee The board has constituted the Nomination and Remuneration Committee on <DDMMYYYY>, in accordance with Companies Act 2013.

The board will have rights to reconstitute this committee from time to time.

4. Policy for appointment of the Board, KMPs & Senior Management

The committee shall look into the following matters:

- Make recommendations to the board on its composition and size to help ensure its effective working. It will do the following under each category of personnel:

4.1. Board Members

a) Identify and recommend to appointment or removal of such candidates who can be considered for the position of a director.

b) The NRC would decide this based on its discussions around qualifications, positive attributes and independence of the candidate being considered for directorship. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

4.2. KMPs

a) The authority to identify right candidates for the appointment of CFO and CS is vested with the CEO along with HR, who will facilitate in identifying the candidates internally or externally. NRC will consider the candidates proposed by the CEO and recommend to the Board for its consideration and appointment in accordance with the applicable provisions of the Act and Rules.

b) In case of CM / MD / CEO's appointment, NRC will initiate the process of identifying the new candidate, which can be an internal or external candidate, for the respective position. After identification and screening of the candidate, NRC will propose the candidature to the Board for its consideration and for appointment subject to the approval of the Shareholders and Regulatory Authority, if any.

c) The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

d) If a KMP is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there-under or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a KMP subject to the compliance of the applicable statutory provisions.

4.3. Senior Management personnel

a) The Senior Management personnel are appointed and removed/relieved with the authority of CEO and HR. The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc as per the recruitment policy prevailing at the time of selection. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

b) The details of the appointment made and the personnel removed/relieved during a quarter shall be presented to the Board as part of update on Corporate Governance.

To maintain effective performance and continuity, all attempts will be made to retain and maintain the right balance of expertise and experience at the senior management level through various measures of identification, hiring, training, grooming, performance feedback, compensation & benefits, promotions, etc and . The NRC may seek and review such efforts for any specific position/s as they may deem fit.

Subject to that there is no conflict of interest, Comviva CEO and HR Head will be authorized to approve employee requests for accepting –

1. any honorary positions in the Board of a Company (for no remuneration or a nominal remuneration); and/or
2. any non-significant minority stake capped up to 30%

In case the request is from the Comviva CEO, Comviva CFO or the Company Secretary, the same will be cleared by the NRC

5. Remuneration to KMPs, Senior Management personnel and Other Employees

The Company follows an extensive performance management system to review the performance of the employees / Senior Management and provide rewards on the basis of meritocracy.

The overall remuneration (Total compensation) to the employees (including Whole Time Director (CEO) CFO, CS and senior management) includes a fixed component (Guaranteed Pay) and a variable component (Performance Linked pay). The percentage of the variable component increases at hierarchy levels, as the Company believes employees at higher positions have a far greater impact and influence on the overall business result. Variable Pay program is covered by respective variable pay programs (like performance linked incentive programs as applicable for respective roles). Compensation offered is decided based on what is competitive and suitable to attract top talent peer group for such a role, while looking at company's ability to pay vis-à-vis its budget.

The initial remuneration for CEO or any whole time director will be proposed by the CM/MD to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for KMPs – CFO and CS will be proposed by the CEO & HR to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for the Senior Management personnel shall be proposed by HR and approved by CEO. Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR and business /line managers at the time of hiring, depending upon the relevant job experience, last compensation, position details and role maturity fitment; philosophy of which has been captured in the compensation handbook of the company.

The Total compensation is reviewed at least once every year based on company's performance and compensation philosophy and program. Compensation Revision is based on the performance, potential and market positioning of the role as determined through hiring& /attrition related data, surveys and benchmarks.

The annual review of remuneration for CEO or any whole time director will be proposed by the CM/MD to the NRC. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The annual remuneration for KMPs – CFO and CS will be proposed by the CEO & HR Head to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

Annual Review of Remuneration (TCTC) for all employees (others than KMPs, but including senior management) will be decided by the HR, in consultation with CEO for all senior management position and along with concerned business unit head/managers as per performance management process & compensation philosophy and approved personnel cost budget. Performance Management Handbook applies to all employees including senior management, CFO and CS. CEO performance is evaluated by the CM/MD based on business goals as determined annually.

CEO and the HR Head may approve incentive programs as may be required for managing routine business requirements like joining or retention. Any plan covering shares or Stock Option grants to the employees shall be approved by the NRC based on the recommendation of CEO and Head of HR.

All remunerations to directors or CEO will be in accordance to Companies Act 2013 or changes to the same as applicable from time to time, including restatement of accounts due to fraud or non- compliance.

Sitting fee for Independent directors: Sitting fees will be paid to the independent directors for the committee and board meetings, as approved by the board from time to time. This will be subject to the maximum limits, if any, prescribed by the Companies Act 2013.

Refundability of excess remuneration: Any excess remuneration paid will have to be refunded back by the director in case of restatements and no such waivers will be permitted.

Commission or remuneration from holding or subsidiary company: The total commission paid for the services to this Company will include any remuneration paid from either the holding company or the subsidiary company.

6. Policy on Awareness Training to the Independent Directors

The Independent directors at the time of their co-option shall be provided with an orientation by at least one of the senior leaders. They will also be provided with the material/literature regarding the Company's business and its operations, governing documents, information on key personnel and financial information to familiarize them with the Company. The Board will brief them on their roles and responsibilities in the various Committees. The Quarterly Board Meetings will contain an agenda item on 'Business Updates' which provides development in the business strategy of the Company among others. The CM depending on the business need may also nominate Independent Directors for relevant external training programs. Independent Directors may request for any additional information as deemed fit for the successful discharge of their role.

7. Process for Performance Evaluation of the Board as a whole

The process will be initiated each year by the Chairman of the NRC or any other person as authorized by the NRC.

❖ The Board will carry out annual evaluation of its own performance through its adopted self- evaluation criteria. Board evaluation process will be initiated each year by the chairman of NRC and will be coordinated by the Chairman of NRC or any other person authorized by the NRC. Each Board member will get an evaluation form as given in Annexure – I in the first week of April of each year.

❖ Board members have the option to disclose his/her name on the evaluation form.

❖ Board members shall complete the form and return it to the authorized person within two weeks of receipt of the form.

❖ Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form.

❖ Chairman of the Board, will arrange to tabulate the results and present summary report to the Board during the first Board Meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample template has been included in Annexure II. Report for each individual member will also be shared without names of those who gave the feedback.

- ❖ The Board will initiate discussion based on individual feedback, broad & common areas that are working well and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward.

7.1. Process for Performance Evaluation of the Committees:

The Board has adopted the evaluation criteria for Committees as mentioned in Annexure -III. Each Committee member will get an evaluation form as given in Annexure – III for the Committee(s) he/she is part of in the first week of April of each year.

- ❖ Committee Members have the option to disclose his/her name on the evaluation form.
- ❖ Committee Members shall complete the forms and return them to the authorized person within two weeks of receipt of the forms.
- ❖ Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form
- ❖ The Chairman NRC, with the assistance of any person, will tabulate the results and share the summary report with the respective Committee in their first meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample summary report template has been included in Annexure – IV.
- ❖ Each Committee will initiate discussion basis individual feedback, broad & common areas that are working well and those that need attention.
- ❖ The Chairman of the respective Committee will also present the summary report to the Board during its first Board Meeting of each financial year.

7.2. Process for Performance Evaluation of individual directors including Independent Directors

- ❖ The NRC will carry out performance evaluation of individual directors through peer evaluation of each Board member.
- ❖ The Key areas of evaluation are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion and strategy, Concern for stakeholders, attentive to the internal controls mechanism, and ethical conduct issues as the evaluation criteria.
- ❖ In the first week of April of each year, each Board member will get evaluation form as given in Annexure – V for each of their colleagues on the Board. Each Board member will complete evaluation of each of their colleagues. Board member does not have to disclose his/her name on the evaluation form.
- ❖ During the first Board meeting of the financial year, separate envelopes indicating name of each Board Member will be circulated in which each Board member will place the completed evaluation sheet of the assessed member in their respective envelope. For example, there will be separate envelopes for Director A, Director B & so on and these envelopes will be circulated to all the Directors to place the evaluation form of the specific Director in the envelope indicating his/her name.
- ❖ Once all the evaluation forms are placed in designated envelopes, each Board member will be handed over their respective envelope and will have the opportunity to go through their own peer evaluation scores during the meeting itself.
- ❖ After going through their respective evaluation scores by their peers, the Board members will hand over their envelope to the Board chairperson during that meeting.
- ❖ Subsequently, the Board chairperson, will go through the contents of the envelope, and if necessary, will meet with each Director individually as part of the evaluation process to identify and discuss the outcome. The separate envelopes containing peer evaluation forms for each individual Director will remain with the Board chairperson and will be kept confidential.
- ❖ The NRC on the basis of evaluation scores of the concerned member shall recommend to the Board to extend or continue the term of appointment of the Board member. In case of the upcoming reappointment of any of the NRC member, the concerned member will not participate and others on the committee will be given access to all the available forms of the concerned member as detailed above to continue with the recommendation process.

8. Board's Diversity

A truly diverse Board will make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Board appointments should be based on merit that complements and expands the skills, experience, expertise of the Board as a whole, taking into account knowledge, professional experience, qualifications,

gender, age, cultural, educational background, statutory / regulatory requirement and any other factors that might be relevant and applicable from time to time for it to function effectively.

NRC considers the functional diversities in determining the optimum composition of the Board.

9. Amendment

The Policies may be changed at any time by the Board on the recommendation of NRC. However, the NRC shall have the authority to change the Evaluation Form at any time during the year with the objective of seeking more inputs from the Individual Directors

In the event of any statement in the policy contradicting with law, the law will supersede as applicable from time to time.

Rajat Mukherjee
DIN: 03431635
Chairman

Annexure I

Performance Evaluation of the Board as a whole - Self Evaluation Form

Each Board Member is to rate the following statements in relation to overall performance of the Board during the last financial year. Please place √ in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have.

Your Name (Optional) ____

	Evaluate the following statements in relation to overall performance of the Board	Rating Scale				
		1	**2**	**3**	**4**	**5**
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Board has achieved what it set out to accomplish in the year under review.					
3	The Board engages in long-range strategic thinking and planning.					
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.					
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.					
6	The Board receives timely, accurate, and useful information upon which to make decisions.					
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.					
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management.					
9	The quality of Directors participation in meeting is satisfactory.					
10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender					

Rating Scale

5 = strongly agree; 4 = Agree; 3 = neither agree nor disagree; 2 = Disagree; 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the board as a whole.

……………………………………………………………………………………………………..

……………………………………………………………………………………………………..

……………………………………………………………………………………………………..

Annexure II

Summary Report: Performance Evaluation of the Board as a whole

Statements in relation to overall performance of the Board		**Director A**	**Director B**	**Director C**	**Director D**	**Director E**	**Director F**	**Director G**	**Avg. Score**
	Scores of each Director will be mentioned on No name basis								
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.								
2	The Board has achieved what it set out to accomplish the past year.								
3	The Board engages in long-range strategic thinking and planning.								
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.								
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.								
6	The Board receives timely, accurate, and useful information upon which to make decisions.								
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.								
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management								
9	The quality of Directors participation in meeting is satisfactory.								
10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender								

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Comment 1: ………………………………

Comment 2: ………………………………

These comments will be taken verbatim without mentioning name of the Board Member)

Annexure III

Performance Evaluation of the Committees - Self Evaluation Form

(This Form is to be filled out separately for each committee of the Board in which you are member)

Each Committee member is to rate the following statements in relation to overall performance of the Committees during the last financial year. Please place √ in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have.

Your Name (Optional): ________________________________

Name of the Committee to be assessed: ____

	Evaluate the following statements in relation to overall performance of the Committee	**Rating Scale**				
		1	**2**	**3**	**4**	**5**
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of competent members					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6.	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the committee as a whole.

……………………………………………………………………………………………………..

……………………………………………………………………………………………………..

……………………………………………………………………………………………………..

Annexure IV

Summary Report: Performance Evaluation of the Committee

(This result template will be shared with the respective Committee & presented in the Board Meeting)

Name of the Committee: …………………………………………………………

Statements in relation to overall performance of the Committee		**Committee Member A**	**Committee Member B**	**Committee Member C**	**Committee Member D**	**Average Score**
		Scores of each Committee Member will be mentioned on No name basis				
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of relevant members.					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Comment 1: ……………………………….

Comment 2: ……………………………….

(These comments will be taken verbatim without mentioning name of the Committee Member)

Annexure V

Performance Evaluation of Board Member - Peer Evaluation Form

Each Board Member is to rate the following statements in relation to his/her assessment of their colleague as a Board member during the last financial year. Please place √ in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have. Please note, you do not mention your name on the form to keep the process confidential.

Name of Board Member to be assessed ___________________________________

Evaluate the following statements in relation to your assessment of your colleague as a Board Member of the Company		Rating Scale				
		1	**2**	**3**	**4**	**5**
1	Knowledge of key areas					
2	Diligence and preparedness					
3	Effective interaction with others					
4	Constructive contribution to discussion and strategy					
5	Concern for stakeholders					
6	Concern for working of internal controls					

5 = Outstanding, exceptional contribution
4 = Above expectation
3 = Satisfactory
2 = Some improvement required
1 = Unsatisfactory contribution to the Board

Please provide below any additional comments or suggestions which you believe would help improve the Board's function.

……………………………………………………………………………………………………..

……………………………………………………………………………………………………..

……………………………………………………………………………………………………..

Disclaimer

Annexure 4

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company : Our CSR vision statement: To make concerted efforts in the area of Education for the under privileged Goal to make concerted efforts towards:
   a) Promotion of education amongst under-privileged;
   b) Support sustainable development of green environment
   c) Topical initiatives which adversely impacts a large section of society

The Corporate Social Responsibility (CSR) policy can be viewed at http://commune.mahindracomviva.com/Management%20 Service%20Unit/HR/_layouts/15/WopiFrame.aspx?sourcedoc=/Management%20Service%20Unit/HR/Shared%20 Documents/HR/Policies/Corporate%20Social%20R esponsibility%20Policy.doc&action=default

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Rajat Mukherjee	Independent Director	4	4
2	Sunita Umesh	Independent Director	4	4
3.	Jagdish Mitra	Director	4	3

3. Provide the web-link where Composition of CSRcommittee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.comviva.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1	NIL	NIL	NIL
	TOTAL	NIL	NIL

6. Average net profit of the company as per section 135(5). : INR 1,44,32,90,508.70
7. (a) Two percent of average net profit of the company as per section 135(5) : INR 2,88,65,811
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
   : NIL
   (c) Amount required to be set off for the financial year,
   if any : NIL
   (d) Total CSR obligation for the financial year (7a+7b- 7c). : INR 2,88,65,811

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).*		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2,83,15,689	NIL	NIL	PM relief fund	550122	22-Apr-2021

* the unspent amount was transferred before the expiry of 30 days.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation- Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	Distric t.						Name	CSR Registration number.
1	1.Bal Vikas dharna, 2.Maxvision Social Welfare Society 3. Basic Foundation	Vocational Center	Yes	Haryana	GGN			1,41,10,683	NIL	No	Tech Mahindra Fo	
2	1.Bridge education 2 Transition Support 3 Coaching for X & XII 4 Free Library Usage for all 5 Employability & Entrepreneurship for Women 6.Green belt	Education & vocational Green Belt	Yes	Haryana	GGN			47,49,734		No	Sanshil Fo	
	TOTAL							**1,88,60,417**				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the program(in Rs.).**	**Mode of Implementation Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**	
				State.	**Distric t.**			**Name**	**CSR Registration number.**
1	PM Care fund	Crises fund	Yes	Delhi	Delhi	32,87,636	Yes	No	N/A
2	PM relief Fund	Crises fund	Yes	Delhi	Delhi	61,67,636	Yes	No	N/A
	TOTAL					**94,55,272**			

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year(8b+8c+8d+8e) : INR 28,315,689

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	2,88,65,811
(ii)	Total amount spent for the Financial Year	2,83,15,689
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	5,50,122
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5,50,122

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project Completed /Ongoing.**
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	TOTAL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spendtwo per cent of the average net profit as per section 135(5). : Not Applicable

Manoranjan Mohapatra
(Chief Executive Officer)

Rajat Mukherjee
(Chairman CSR Committee).

ANNEXURE-5

S. No.	Name(s) of the related party and nature of relationship		Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances / Loan, if any
1	Comviva Technologies FZ-LLC	100 % Subsidiary	Revenue	01-Apr-2020 to 31-Mar-2021	14,33,24,412	NA	
2	Comviva Technologies BV	100 % Subsidiary	Revenue	01-Apr-2020 to 31-Mar-2021	15,93,10,130	NA	
3	Comviva Technologies BV	100 % Subsidiary	Other Reimbursement	01-Apr-2020 to 31-Mar-2021	77,27,220	NA	
4	Comviva Technologies Colombia S.A.S	100 % Subsidiary	Revenue	01-Apr-2020 to 31-Mar-2021	1,51,43,208	NA	
5	Tech Mahindra Limited	Holding company	Revenue	01-Apr-2020 to 31-Mar-2021	20,14,63,725	NA	
6	Tech Mahindra Ltd - Belgium	Fellow subsidiary	Revenue	01-Apr-2020 to 31-Mar-2021	16,90,853	NA	
7	PT Tech Mahindra Indonesia	Fellow subsidiary	Revenue	01-Apr-2020 to 31-Mar-2021	3,93,37,129	NA	
8	Tech Mahindra Limited	Holding company	Facility Charges (Provided)	01-Apr-2020 to 31-Mar-2021	1,48,02,423	NA	
9	Tech Mahindra Limited	Holding company	Facility Charges (Received)	01-Apr-2020 to 31-Mar-2021	44,23,200	NA	
10	Tech Mahindra Foundation	Fellow subsidiary	Corporate Social Responsibility	01-Apr-2020 to 31-Mar-2021	1,41,10,681	NA	
11	Mr. Manoranjan Mahopatra*	Key Management Personnel	Managerial Remuneration	01-Apr-2020 to 31-Mar-2021	2,86,66,150	NA	
12	Mr. Neeraj Jain*	Key Management Personnel	Managerial Remuneration	01-Apr-2020 to 31-Mar-2021	1,10,00,000	NA	
13	Mr. Parminder Singh Bakshi*	Key Management Personnel	Managerial Remuneration	01-Apr-2020 to 31-Mar-2021	17,00,000	NA	

*Does not include ESOP and any other benefits extended above CTC

for Comviva Technologies Limited

Vivek Satish Agarwal
(Director)
Din: 05218475

INDEPENDENT AUDITORS' REPORT

To the Members of Comviva Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Comviva Technologies Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information ('herein referred to as standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 44 of the standalone financial statements, wherein the comparative information have been restated in accordance with the Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in relation to income tax balances

Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's Report, but does not include the standalone financial statements and our auditors' 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 in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are 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 to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) 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 it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone 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 Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(B) With respect to the other matters to be included in the Auditors’ 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 has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

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

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

(C) With respect to the matter to be included in the Auditors’ Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

DEEPESH SHARMA
Partner
Membership No. 505725
ICAI UDIN: 21505725AAAAAV4516

Place: New Delhi
Date: 22 April 2021

Annexure A referred to in our Independent Auditor's Report to the members of Comviva Technologies Limited on the standalone Ind AS Financial Statements for the year ended 31 March 2021.

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets are verified once in a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not hold any immovable property in its name. Accordingly, para 3(i)(c) of the order is not applicable to the Company.

(ii) According to the information and explanations given to us, the inventories, except stock lying with third parties, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties as at the year-end, written confirmations have been obtained. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees or securities, as applicable.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the business activities carried out by the Company.

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Goods and Services Tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(viii) (a) According to the information and explanations given to us, there are no dues of Income-tax, Sales- tax, Goods and Services Tax, Service tax, Duty of customs, Value added tax, Cess and other material statutory dues which have not been deposited on account of any dispute except as mentioned below. As mentioned above, the Company did not have any dues on account of Duty of Excise during the year.

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in million)	Amount paid under protest (Rs. in million)
DR Congo Tax Administration	Corporate Tax/ VAT	Calendar year 2012 to 2018	Republique Democratique Congo Ministere Des Finances	9	-
Chad Tax Administration	Corporate Tax/ VAT	Calendar year 2014	Directorate General of Taxation, Ministry of Finances and Budget , Republique of Chad	46	6.9
Chad Tax Administration	Corporate Tax/ VAT	Calendar year 2015 to 2019	Directorate General of Taxation	111	0.5
Republique du Congo Authorities	VAT, Payroll & Income tax	Calendar year 2017 to 2020	Direction Départementale des Vérifications, Fiscale De Pointe- Noire	68.5	-

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in million)	Amount paid under protest (Rs. in million)
Republique du Congo Authorities	VAT, Payroll & Income tax	Calendar year 2012 to 2014	Direction Départementale des Vérifications, Fiscale De Pointe-Noire	37	-
Income Tax Act, 1961	Income tax	2012-13 & 2013-2014	Commissioner of Income Tax (Appeals)	148	-
Income Tax Act, 1961	Transfer pricing adjustment	2014-15 & 2016-2017	Commissioner of Income Tax (Appeals)	104	-
Burkina Faso authorities	Corporate tax, employer and apprenticeshi p tax, patent Tax, single tax on wages and salaries, VAT	Calendar year 2012 to 2020	Calendar year 2012 to 2020	49	-
Malawi tax authorities	Corporate Tax	2018-19 & 2019-20	Income Tax Officer	6	-
Uganda Tax Authorities	Income Tax and VAT	2016-17 & 2017-18	Tax authority	207	-
Niger Tax Authorities	Payroll & WHT matters	Calendar year 2016& 2018	Assessing Officer	31	-
Tanzania Tax Authorities	Corporate tax, VAT, SDL, & PAYE	Calendar year 2012,2013,20 16,2019 & 2020	Tax authority	68	-
Madagascar	Tax Authorities	Calendar year 2017 to 2019	Tax authority	22	-
Finance Act, 1994	Service Tax	FY 2004-2005 to 2007-2008	Custom Excise & Service Tax Appellate Tribunal	392*	-
Bangladesh Revenue Authorities	Value Added Tax Act, 1991	FY 2012-2013 to 2015-2016	Deputy Commissioner, Customs, Excise and VAT Gulshan Division, Bangladesh	15	-
Gabon Tax Authorities	Indirect Taxes	FY 2013-2014 to 2017-2018	General Secretariat, Provincial Department Of Estate Taxes , Ministry Of Sustainable Development, Economy, Investment Promotion And Planning	3	-
Kenya Revenue Authority	Value Added Tax	Calendar year 2018 & 2019	Domestic Taxes Department Medium Tax Payers Office	1.65	-

* Net of Rs. 15 million being eligible Cenvat Credit set aside under protest.

((ix) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks. The Company does not have any outstanding debentures, or loans or borrowings from any financial institution or government during the year.

(x) According to the information and explanations given to us and our examination of the records of the Company, the Company did not have any term loan outstanding during the year. Further, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

(xi) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.

(xii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.

(xiii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company has not entered into any non- cash transactions with directors or person connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvii) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

DEEPESH SHARMA
Partner
Membership No. 505725
ICAI UDIN: 21505725AAAAAV4516

Place: New Delhi
Date: 22 April 2021

Annexure B to the Independent Auditors' report on the standalone financial statements of Comviva Technologies Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Comviva Technologies Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of matter

We draw attention to Note 44 of the standalone financial statements, wherein the comparative information have been restated in accordance with the Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in relation to income tax balances.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to standalone financial statements

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

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

DEEPESH SHARMA
Partner
Membership No. 505725
ICAI UDIN: 21505725AAAAAV4516

Place: New Delhi
Date: 22 April 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

Rs. in million

Particulars	Note No.	**As at March 31, 2021**	As at March 31, 2020 *	As at March 31, 2019 *
I ASSETS				
A Non current assets				
(a) Property, plant and equipment	3A	**210**	221	221
(b) Capital work-in-progress		**3**	-	15
(c) Right of use asset	3B	**288**	418	508
(d) Intangible assets	3C	**85**	118	9
(e) Financial assets				
(i) Investments	4(i)	**527**	241	385
(ii) Loans	5	**17**	18	28
(iii) Other financial assets	12(i)	**94**	74	30
(f) Income tax assets (net)		**916**	716	581
(g) Deferred tax assets (net)	6	**434**	350	495
(h) Other non-current assets	7(i)	**302**	50	273
Total non-current assets		**2,876**	2,206	2,545
B Current assets				
(a) Inventories	8	**22**	89	41
(b) Financial assets				
(i) Investments	4(ii)	**1,502**	490	-
(ii) Trade receivables	9	**3,911**	4,270	3,676
(iii) Cash and cash equivalents	10	**722**	832	576
(iv) Other balances with bank	11	**39**	50	161
(v) Other financial assets	12(ii)	**1,424**	893	1,389
(c) Other current assets	7(ii)	**607**	811	543
Total current assets		**8,227**	7,435	6,386
TOTAL ASSETS		**11,103**	9,641	8,931
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity share capital	13	**219**	219	219
(b) Other equity	14	**8,253**	6,798	6,042
		8,472	7,017	6,261
B Liabilities				
1 Non current liabilities				
(a) Financial liabilities				
(i) Lease Liabilities		**215**	324	343
(ii) Other financial liabilities	19(i)	**10**	10	-
(b) Provisions	16(i)	**180**	199	259
(c) Other non-current liabilities	17(i)	**-**	15	18
Total non-current liabilities		**405**	548	620
2 Current Liabilities				
(a) Financial liabilities				
(i) Lease Liabilities		**69**	80	141
(ii) Borrowings	15	**-**	1	342
(iii) Trade payables	18			
- Dues of Micro, Small and Medium enterprises		**14**	-	0
- Dues of creditors other than MSME		**1,077**	1,257	960
(iv) Other financial liabilities	19(ii)	**531**	384	288
(b) Other current liabilities	17(ii)	**204**	288	267
(c) Provisions	16(ii)	**63**	66	52
(d) Income tax liabilities (net)		**268**	-	-
Total current liabilities		**2,226**	2,076	2,050
TOTAL EQUITY AND LIABILITIES		**11,103**	9,641	8,931

* Restated (Refer Note 44)

See accompanying notes forming part of the financial statements 1-45

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
New Delhi

Date: 22 April 2021

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Manish Vyas
Director
Florida, USA

Jagdish Mitra
Director
Noida

Vivek Satish Agarwal
Director
Bengaluru

Sunita Umesh
Director
Gurugram

Rajat Mukherjee
Director
New Delhi

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: 22 April 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Rs. in million

Particulars		Note No.	**For the year ended March 31,2021**	For the year ended March 31,2020 *
I.	Revenue from operations	20	**6,570**	6,297
II.	Other income	21	**245**	373
III.	**Total Income (I+II)**		**6,815**	6,670
IV.	**Expenses**			
	(a) Employee benefits expense	22	**2,598**	2,565
	(b) Subcontracting cost		**525**	587
	(c) Finance costs	23	**27**	59
	(d) Depreciation and amortization expense	3	**269**	248
	(e) Other expenses	24	**2,172**	2,215
	Total expenses		**5,591**	5,674
V.	**Profit before exceptional items and tax**		**1,224**	996
VI.	**Exceptional items :**	25		
	Exceptional item		**730**	432
VII.	**Profit before tax**		**1,954**	1,428
VIII.	**Tax expenses:**			
	(a) Current tax		**614**	496
	(b) Deferred tax (refer note 41)		**(93)**	153
			521	649
IX.	**Profit after tax**		**1,433**	779
X.	**Other comprehensive income**			
A)	(I) Items that will not be reclassified to profit or loss			
	(a) Re-measurement loss on defined benefit plans		**10**	(14)
	(II) Income tax relating to items that will not be reclassified to profit or loss		**(3)**	3
B)	(I) Items that will be reclassified to profit or loss			
	(a) Net movement of effective portion on cash flow hedge		**20**	(17)
	(II) Income tax relating to items that will be reclassified to profit or loss		**(5)**	5
XI.	**Other comprehensive income for the year**		**22**	(23)
XII.	**Total comprehensive income for the year**		**1,455**	756
XIII.	**Earnings per Equity share (Face value of Rs. 10/- each)**	34		
	(a) Basic (in Rs.)		**65.51**	35.62
	(b) Diluted (in Rs.)		**65.51**	35.62
	* Restated (Refer Note 44)			
	See accompanying notes forming part of the financial statements	1-45		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022
Deepesh Sharma
Partner
Membership No.: 505725
New Delhi

Date: 22 April 2021

For and on behalf of the Board of Directors of
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Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: 22 April 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity share capital

Particulars	Number of Shares	Equity Share Capital (Rs. in Million)
Balance As at April 1, 2019	21,869,000	219
Balance as at March 31, 2020	**21,869,000**	**219**
Balance as at April 1, 2020	21,869,000	219
Balance as at March 31, 2021	**21,869,000**	**219**

b. Other Equity

Rs. in Million

Particulars	**Reserves & Surplus**			**Items of OCI**	**Total**
	Securities Premium	**Capital Reserve**	**Retained Earnings**	**Effective portion of Cash flow Hedge**	
Balance As at April 1, 2019*	566	53	5,419	4	6,042
Profit for the year	-	-	779	-	779
Other comprehensive Income	-	-	(11)	(12)	(23)
Total comprehensive income	**-**	**-**	**768**	**(12)**	**756**
Balance as at March 31, 2020	566	53	6,187	(8)	6,798
Balance as at April 1, 2020	**566**	**53**	**6,187**	**(8)**	**6,798**
Profit for the period	-	-	1,433	-	1,433
Other comprehensive income	-	-	7	15	22
Total comprehensive income	**-**	**-**	**1,440**	**15**	**1,455**
Balance as at March 31, 2021	**566**	**53**	**7,627**	**7**	**8,253**

* Restated (Refer Note 44)

Securities Premium :

The aggregate difference between the par value of shares and the subscription amount is recognised as share premium.

Capital Reserve :

Capital Reserve has been created pursuant to sales of Company's shares to Tech Mahindra Limited, acquired by ESOP trust from employees.

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

Cash Flow Hedging Reserve :

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
New Delhi

For and on behalf of the Board of Directors of
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Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: 22 April 2021

Date: 22 April 2021

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Rs. in million

	Particulars	For the year ended March 31, 2021 Rs.	Rs.	For the year ended March 31, 2020 * Rs.	Rs.
A]	**Cash flows from operating activities**				
	Profit before tax		**1,954**		1,428
	Adjustments for:				
	Depreciation and amortization	**269**		248	
	(Profit) on sale of property, plant and equipment	**(1)**		(0)	
	Gain due to fair valuation changes on financial assets	**(9)**		-	
	Profit of on sale of investment	**(4)**		(0)	
	Interest expense	**27**		59	
	Interest income	**(25)**		(7)	
	Dividend income	**-**		(10)	
	Profit on sale of investment in subsidiary	**-**		(473)	
	Provision for impairment	**-**		41	
	Additonal business consideration	**(730)**		-	
	Provision for impairment-cost allocation	**86**		-	
	Unrealised foreign exchange gain net	**211**		(191)	
	Provision for doubtful debts (net)	**238**		206	
	Reversal of provision no longer required	**(30)**		(61)	
	Provision for warranty	**-**		3	
	Rent concession	**(13)**		-	
			19		(185)
	Operating Profit before working capital changes		**1,973**		1,243
	Adjustments for changes in working capital:				
	(Decrease)/increase in trade payable, other liabilities and provisions	**(82)**		374	
	Increase in trade receivables	**(61)**		(627)	
	Decrease in other assets, loans and advances	**121**		520	
			(22)		267
	Cash generated from operations		**1,951**		1,510
	Direct taxes paid (net)		**(545)**		(633)
	Net cash flows generated/(used) in operating activities (A)		**1,406**		877
B]	**Cash flows from investing activities**				
	Purchase of property, plant and equipment & intangible assets	**(143)**		(263)	
	Interest received	**16**		4	
	Dividend received	**-**		9	
	Purchase of current investments (net)	**(997)**		(490)	
	Investment in subsidiary	**(287)**		(72)	
	Sale of Investment in subsidiary	**-**		661	
	Sale of property, plant and equipment	**3**		1	
	Proceed from sub-lease	**-**		10	
	Net Cash flows used in investing activities (B)		**(1,408)**		(140)

Rs. in million

Particulars	For the year ended March 31, 2021 Rs.	Rs.	For the year ended March 31, 2020 * Rs.	Rs.
C] Cash flows from financing activities				
Repayment of short term borrowings (net)	**(1)**		(342)	
Payment of lease liabilities	**(73)**		(86)	
Interest Paid	**(27)**		(57)	
Net cash flows generated/(used) from financing activities (C)		**(101)**		(485)
D] Exchange differences on translation of foreign currency cash and cash equivalents (D)		**(7)**		4
Net (decrease)/increase in cash and cash equivalents(A + B+ C + D)		**(110)**		256
Cash & cash equivalents at the end of the year (refer note 1 below)		**722**		832
Cash & cash equivalents at the beginning of the year		**832**		576
Net Increase/(decrease) in cash and cash equivalents		**(110)**		256

* Restated (Refer Note 44)

Rs. in million

Particulars	As at March 31, 2020	As at March 31, 2019
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**0**	1
Remittances in transit	**66**	133
Balance with banks		
- In current accounts	**479**	698
- In deposit accounts	**177**	-
Total Cash and cash equivalents - refer note 10	**722**	832

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

Note 4:

Previous year's figures have been rearranged/regrouped wherever necessary.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022
Deepesh Sharma
Partner
Membership No.: 505725
New Delhi

Date: 22 April 2021

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Manish Vyas
Director
Florida, USA

Sunita Umesh
Director
Gurugram

Jagdish Mitra
Director
Noida

Rajat Mukherjee
Director
New Delhi

Neeraj Jain
Chief Financial Officer
Gurugram

Vivek Satish Agarwal
Director
Bengaluru

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: 22 April 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Company Overview

Comviva Technologies Limited ("the Company") is the global leader of mobility solutions and a part of Mahindra Group. With customer centricity, innovation and ethical corporate governance at its core, the company's offerings are broadly divided into three categories: Financial Solutions, Digital Systems and Growth Marketing. Its extensive portfolio of solutions spans digital financial services, customer value management, messaging and broadband solution and digital lifestyle services. The company strives to enable service providers to enhance customer experience, resolve real, on-ground challenges and leverage technology to transform the lives of customers. Comviva's solutions are deployed by over 130 mobile service providers and financial institutions in over 95 countries and enrich the lives of over two billion people to deliver a better future.

The Company is a subsidiary of Tech Mahindra Limited.

The standalone financial statements ('financial statement') for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 22, 2021.

2. Significant Accounting Policies

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These standalone financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees Million, except for share and earnings per share data, unless otherwise stated. These standalone financial statements have been prepared on the historical cost basis and on accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financials statements of Comviva ESOP trust has also been consolidated with Comviva Technologies Ltd. (India) financials.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Revenue Recognition

The Company applies the proportionate method for measurement of performance obligation in accounting for its fixed price development contracts. Use of the proportionate method requires the Company to estimate the efforts to date as a proportion of the total budgeted efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity.

ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.12.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. 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 the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.4.

iv) Impairment of Investments

The Company reviews its carrying value of investments in subsidiaries and other entities at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

v) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.14.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed based on technical advice, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Type of Asset	Estimated useful life
Plant and Equipment (including Computers)	3 year
Plant and Equipment (Electrical Equipment)	5 year
Office Equipment	5 year
Furniture and Fixtures	5 year

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and hardware acquired for specific projects are amortized over the initial contract life of the project.

The cost of Software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Intellectual Property Right (IPR) is amortized over a period of 4 years.

2.5 Leases

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

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The company has elected to apply modified retrospective approach for transition to Ind AS 116.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its

interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.6 Impairment of Assets

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortized cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event, the previously recognized impairment is reversed through Statement of profit and loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the Statement of profit and loss.

2.7 Inventories

Inventories are stated at lower of cost or net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.8 Revenue recognition

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

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered, revenue against these services recognised over the period of time using proportionate method for measuring performance obligation.

Revenue from the sale of distinct third party hardware is recognised at the point in time when risk and rewards is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Use of significant judgments in revenue recognition.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Dividend income is recognized when the Group's right to receive dividend is established.

2.9 Foreign currency transactions

The functional currency of the company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of profit and loss.

2.10 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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

Financial asset not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries is carried as per Ind AS 27.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and accumulated under hedging reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in hedging reserve are reclassified to profit or loss in the same period in which gains/losses on the item hedged are recognized in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in hedging reserve are transferred from hedging reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in hedging reserve is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in hedging reserve is transferred to the Statement of Profit and Loss for the period.

iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.11 Employee benefits

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for India location. Certain overseas branches of the company also provide for retirement benefit plans in accordance with local laws.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. Full contribution is made to recognised provident fund with effect from September 1, 2020. Till August 31, 2020 a portion of the contribution was made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

iii) Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for India location and some branches of Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for other branches of Company.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

iv) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized 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 utilized.

The carrying amount of deferred income 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 income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.13 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.14 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 recognized as a finance cost.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

2.15 Provision for Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.16 Research and Development

Research costs are recognized in the statement of profit and loss in the period it is incurred. Development costs are recognized in the statement of profit and loss in the period it is incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.17 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit and loss.

2.18 New accounting pronouncement to be adopted on or after April 1, 2021

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to:-

a) Change in existing presentation requirements for certain items in Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same.

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Note 3 - Property, Plant and Equipment

Rs. in million

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at April 1, 2020	**Additions during the year**	**Disposals during the year**	**As at March 31, 2021**	**As at April 1, 2020**	**During the year**	**On disposal during the year**	**As at March 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**
3A. Tangible Assets										
Plant and equipments	813	105	18	900	677	86	17	746	154	136
(Previous year)	898	82	167	813	760	83	166	677	136	138
Furniture and fixtures	33	1	9	25	26	2	9	19	6	7
(Previous year)	45	2	14	33	37	3	14	26	7	8
Office equipments	98	2	6	94	57	12	5	64	30	41
(Previous year)	72	29	3	98	49	12	4	57	41	23
Improvement to leased premises	109	-	1	108	72	17	1	88	20	37
(Previous year)	120	1	12	109	68	16	12	72	37	52
Total	1,053	108	34	1,127	832	117	32	917	210	221
Previous year	1,135	114	196	1,053	914	114	196	832	221	221
3B. Right of use asset										
Right to use of office premises	514	2	54	462	96	96	18	174	288	418
(Previous year)	-	514	-	514	-	96	-	96	418	-
Total	**514**	**2**	**54**	**462**	**96**	**96**	**18**	**174**	**288**	**418**
Previous year	-	514	-	514	-	96	-	96	418	-
3C. Intangible Assets (Other than internally generated)										
Computer software	564	23	0	587	564	23	0	587	0	0
(Previous year)	545	19	-	564	545	19	-	564	0	-
Intellectual property rights	163	-	0	163	45	33	0	78	85	118
(Previous year)	35	128	-	163	26	19	-	45	118	9
Total	**727**	**23**	**0**	**750**	**609**	**56**	**0**	**665**	**85**	**118**
Previous Year	580	147	-	727	571	38	-	609	118	9

Note 4 (i)- Non-current investments :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
In subsidiaries		
Comviva Technologies Nigeria Limited	**151**	151
A wholly owned subsidiary incorporated in Nigeria		
683,916,187 (March 31, 2020: 683,916,187) common Stock of Naira 1 each, fully paid up		
Comviva Technologies FZ-LLC	**1**	1
A wholly owned subsidiary incorporated in UAE		
55 (March 31, 2020: 55) Common Stock of AED 1,000 each, fully paid up		
Comviva Technologies Singapore PTE Limited	**28**	28
A wholly owned subsidiary incorporated in Singapore		
561,000 (March 31, 2020 : 561,000) Common Stock of SGD 1 each, fully paid up		
Less: provision for impairment	**(28)**	(28)
Comviva Technologies B.V.		
A wholly owned subsidiary incorporated in Netherlands	**293**	72
3,479,180 (March 31, 2020: 9,11,131) Common Stock of EUR 1 each, fully paid up		
Comviva Technologies (Argentina) S.A.	**14**	14
A wholly owned subsidiary incorporated in Argentina		
790 (March 31, 2020: 790) common stock ARL 1 Each, fully paid)		
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)	**2**	2
A wholly owned subsidiary incorporated in Brazil		
5,000 (March 31, 2020: 5,000) common stock BRL 1 Each, fully paid		
Comviva Technologies Madagascar Sarlu	**1**	1
A wholly owned subsidiary incorporated in Madagascar		
3,200 shares (March 31, 2020: 3,200) for MGA 20,000 Each, fully paid		
Comviva Technologies USA Inc	**30**	-
A wholly owned subsidiary incorporated in United States of America		
4,00,000 shares (March 30, 2020: Nil) for USD 1 per share		
Comviva Technologies Myanmar Limited	**15**	-
A wholly owned subsidiary incorporated in Myanmar		
200,000 shares (March 31, 2020: NIL) for USD 1 Each, fully paid		
YABX India Private Limited	**20**	-
A wholly owned subsidiary incorporated in India		
20,00,000 shares (March 31, 2020: Nil) for INR 10 Each, fully paid		
Total	**527**	241

Note 4 (ii) - Current investments :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Investment in mutual funds-Unquoted (Carried at fair value through P&L)		
UTI Mutual Fund : Nil (Previous year: 181,207.184 units) @ NAV Rs.Nil (Previous year: NAV Rs. 2,712.48)	**-**	490
UTI Liquid Cash Plan - Direct Growth Plan: 44,5749.315 units (Previous year: Nil units) @ NAV Rs. 3,370.4873 (Previous year: NAV Rs. Nil)	**1,502**	-
Total	**1,502**	490

Note 5 - Loans : Non Current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
(Unsecured, considered good unless otherwise stated)		
Loan to subsidiary	**30**	31
Less: Provision for Impairment	**(13)**	(13)
Total	**17**	18

Note 6 - Deferred tax assets(Refer Note 41):

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Break up of deferred tax assets		
Provision for Employee benefits	**171**	137
Provision for Inventory and Trade receivables	**212**	155
Cash flow hedging reserve	**-**	3
Others	**84**	122
Break up of deferred tax liability		
Property, Plant & Equipment and Intangible assets	**(31)**	(67)
Cash flow hedging reserve	**(2)**	-
Total	**434**	350

Note 7 - Other Assets :

(i) Other non current assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
- Balance with Government authorities	**295**	44
- Prepaid expenses	**5**	6
- Capital advances	**2**	0
Total	**302**	50

(ii) Other current assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
- Advance to suppliers		
- Considered good	**14**	21
- Considered doubtful	**1**	0
	15	21
Provision for doubtful advances	**1**	0
	14	21
- Other loan and advances		
- Considered good	**8**	44
- Considered doubtful	**8**	9
	16	53
-Provision for doubtful advances	**8**	9
	8	44
- Balance with Government authorities	**146**	267
- Prepaid expenses	**94**	115
- Contract Asset	**345**	363
- Other receivable	**-**	1
Total	**607**	811

Note 8 - Inventories :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
(Valued at lower of cost and net realizable value)		
- Others - Stock of IT equipments and purchased software (consumed in IT projects)	**22**	89
Total	**22**	89

Note 9 - Trade receivables :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Trade Receivables (Unsecured)		
- Considered good*	**3,911**	4,270
- Considered doubtful	**841**	613
	4,752	4,883
Less: Allowance for doubtful debts	**841**	613
Total	**3,911**	4,270

'* Net of advances aggregating to Rs. 133 million (previous year: Rs. 157 million) pending adjustments with invoices.

Note 10- Cash and cash equivalents :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Cash on hand	**0**	1
Remittances in transit	**66**	133
Balances with banks:		
- In current accounts	**479**	698
- In deposit accounts	**177**	-
Total	**722**	832

Note 11 - Other balances with bank :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Earmarked balances with bank		
-Balance held under Escrow account	**9**	23
Balances held as margin money/security towards obtaining bank guarantees	**30**	27
Total	**39**	50

Note 12 - Other financial assets :

(i) Other Financial assets : Non Current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Unbilled receivables	**46**	27
Security deposits		
- Considered good	**48**	47
- Considered doubtful	**-**	3
	48	50
- Provision for doubtful advances	**-**	3
	48	47
Total	**94**	74

(ii) Other Financial assets : Current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Unbilled receivables	**550**	768
Dues from subsidiary companies		
- Considered good	**102**	95
- Considered doubtful	**86**	-
	188	95
- Provision for doubtful advances	**86**	-
	102	95
Derivative financial assets	**40**	-
Interest accrued	**17**	13

Particulars	As at March 31, 2021	As at March 31,2020
Security deposits		
- Considered good	**9**	7
- Considered doubtful	**4**	-
	13	7
- Provision for doubtful advances	**4**	-
	9	7
Additional business consideration receivable (refer note 25)	**706**	-
Other receivable	**-**	10
Total	**1,424**	893

Note 13 - Share capital :

Rs. in million

Particulars	As at March 31, 2021		As at March 31,2020	
	Number	**Rs. in million**	**Number**	Rs. in million
(a) Authorized :				
Equity shares of Rs. 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of Rs. 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of Rs. 10 each fully paid up	**21,869,000**	**219**	21,869,000	219
Total	**21,869,000**	**219**	21,869,000	219

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021		As at March 31,2020	
	Number	**Rs. in million**	**Number**	Rs. in million
Equity Shares				
Opening Balance	**21,869,000**	**219**	21,869,000	219
Add: Shares issued during the year	**-**	**-**	-	-
Closing Balance	**21,869,000**	**219**	21,869,000	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company has class of fully convertible non-cumulative redeemable preference shares having a par value of Rs. 10 per share.

(iii) Details of shares held by the holding company

Particulars	As at March 31, 2021	As at March 31,2020
Tech Mahindra Limited	**21,866,906**	21,866,906

(iv) Details of equity shares held by shareholder holding more than 5%:

Particulars	March 31, 2021		March 31,2020	
	No of Shares	% of Holding#	No of Shares	% of Holding#
Tech Mahindra Limited	**21,866,906**	**99.99%**	21,866,906	99.99%

This percentage of holding is presented with reference to Issued, Subscribed and Paid up.

Note 14 - Other Equity :

Rs. in million

Particulars	As at March 31, 2021		As at March 31,2020	
Securities premium account		**566**		566
Capital Reserves		**53**		53
Hedging reserve (refer note 30)				
Opening balance	**(8)**		4	
Add/(less): Other Comprehensive income	**15**		(12)	
Closing balance		**7**		(8)
Surplus in the statement of profit and loss				
Opening balance	**6,187**		5,419	
Add : Profit for the year	**1,433**		779	
Add/(less): Other comprehensive income/(loss)	**7**		(11)	
Closing balance		**7,627**		6,187
Total		**8,253**		6,798

Note 15 -Short-term borrowings :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Secured		
-Cash credit *	**-**	1
Total	**-**	1

*Secured by book debt, inventory and moveable fixed assets and carries an interest rate of nil (Previous year 7.9% p.a.). These loans were repayable on demand which has been paid during the year.

Note 16 - Provisions :

(i) Long-term provisions

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Provision for employee benefits		
-Gratuity	**142**	157
-Compensated absences	**38**	42
Total	**180**	199

(ii) Short-term provisions

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Provision for employee benefits		
-Gratuity	**35**	29
-Compensated absences	**20**	27
	55	56
Provision for warranties (refer note 34)	**8**	10
Total	**63**	66

Note 17 - Other liabilities :

(i) Non-current liabilities

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Unearned revenue	**-**	**15**
Total	**-**	**15**

(ii) Current liabilities

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Unearned revenue	**21**	35
Statutory remittances	**93**	141
Advance from customers	**90**	112
Total	**204**	288

Note 18 - Trade payables :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Creditors for supplies / services	**1,077**	1,257
Creditors for supplies / services under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)*	**14**	-
Total	**1,091**	1,257

* Refer note 37 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Note 19 - Other Financial liabilities:

(i) Other Financial liabilities: Non Current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Liability for sub-lease refundable security	**10**	10
Total	**10**	10

(ii) Other Financial liabilities : Current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Employee related payables	**482**	295
Payables on purchase of Property, plant and equipment	**28**	36
Contractual obligation	**10**	10
Due to subsidiary	**11**	-
Derivative financial liabilities	**-**	43
Interest accrued	**-**	0
Total	**531**	384

Note 20 - Revenue from operations :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Income from Comviva Product and related managed support:		
Licence Fee with Implementation and other services*	**3,639**	3,817
Revenue sharing arrangements	**540**	668
Annual maintenance contract services	**1,618**	1,712
	5,797	6,197
Income from sale of equipments and software (third party)**	**773**	100
Total	**6,570**	6,297

* Includes revenue in respect of time & material and Managed Services Contracts.

** Includes revenue in respect of certain contracts which involve delivery of hardware equipment / software but are still part of an integrated solution to the customer, the corresponding cost of which is reflected under cost of hardware equipment, software and other items sold (refer note 24).

Note 21 - Other income :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Interest income	**25**	7
Profit on sale of current investments	**4**	0
Dividend received from subsidiary	**-**	9
Gain due to fair valuation changes on financial assets	**9**	1
Foreign Exchange gain (net)	**-**	270
Sundry Balances written back	**30**	61
Profit on sale of property, plant and equipment (Net)	**1**	0
Miscellaneous Income	**35**	4
Income from sub-lease	**37**	21
Reimbursement of expenses	**104**	-
Total	**245**	373

Note 22- Employee benefits expense :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Salaries, wages and bonus*	**2,354**	2,273
Defined Contribution/benefit plan cost	**195**	218
Staff welfare expenses	**49**	74
Total	**2,598**	2,565

* It includes long term incentive plan payable to senior management based on future projected earnings of the company. However, based on revised projections, same is not payable on account and hence has been reversed March 31, 2021: Nil (Previous year: INR 89 million)

Note 23- Finance costs :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Interest expense on bank overdraft and others	**-**	26
Finance cost related to ROU liability	**27**	33
Total	**27**	59

Note 24- Other expenses :

Rs. in million

Particulars		For the year ended March 31,2021		For the year ended March 31, 2020
Cost of hardware equipments,softwares and other items		**1,118**		710
Royalty and software charges		**19**		37
Travelling and conveyance		**14**		495
Freight and forwarding charges		**33**		4
Recruitment Expenses		**6**		15
Power and fuel		**20**		29
Rent		**20**		51
Rates and taxes		**14**		17
Insurance		**41**		46
Repairs and maintenance		**213**		228
Advertising and sales promotion		**54**		64
Communication costs		**39**		43
Foreign exchange losses (net)		**106**		-
Corporate Social Responsibility		**28**		23
Legal and professional fees		**82**		124
Conference expenses		**14**		64
General office expenses		**14**		25
Provision for doubtful debts (net)				
- Bad debts	**5**		102	
- Provision for debts	**319**		114	
		324		216
Miscellaneous expenses (including warranty) (refer note 34)		**13**		24
Total		**2,172**		2,215

Note 25- Exceptional items :

Rs. in million

Particulars	**For the year ended March 31,2021**	For the year ended March 31, 2020
Additional consideration on sale of subsidiary (refer note 43)	**730**	-
Profit on sale of investment in subsidiary (refer note 43)	**-**	473
Provision for impairment	**-**	(41)
Total	**730**	432

26. Employee Benefits

a) Defined Contribution Plan

Amounts recognised as an expense in the Statement of Profit and Loss in respect of defined contribution plan is Rs. 162 million (year ended March 31, 2020 : Rs. 186 million).

b) Provident Fund

The company during the year has moved to PF contribution from trust to Regional provident fund commissioner ('RPFC') effective from September month contribution. During the year, the company has recognised the provision against expected fall of investment amounting to Rs. 43 million (March 31, 2020: Rs. 76 million) and company is in process of transfer of balance employees provident fund money from PF trust to RPFC.

c) Defined Benefit Plan - Gratuity

i) The Defined Benefit Plan comprises of Gratuity.

ii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

iii) The defined benefit plan is partially funded.

iv) Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

I] Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Present Value of Defined Benefit Obligation as at the beginning of the year	**188**	161
Service Cost	**23**	22
Interest cost	**10**	10
Benefits Paid	**(30)**	(19)
Acquisition (gain)/loss	**(2)**	-
Actuarial (gain)/loss - experience	**(0)**	9
Actuarial (gain)/loss - demographic assumptions	**-**	(0)
Actuarial (gain)/loss - financial assumptions	**(12)**	5
Present Value of Defined Benefit Obligation as at the end of the year	**177**	188

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Opening fair value of plan assets as at the beginning of the year	**2**	5
Interest income on plan assets	**1**	0
Contributions by employer	**1**	4
Benefits Paid	**-**	(7)
Remeasurement- Return on plan assets excluding amount included in interest income	**(2)**	0
Closing fair value of plan assets as at end of the year	**2**	2

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Net defined benefit Asset/(Liability)

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Net defined benefit asset/(liability) at end of prior period	**(186)**	(156)
Service Cost	**(23)**	(22)
Net interest on net defined benefit liability / (asset)	**(10)**	(10)
Actuarial gain/(loss)	**10**	(14)
Employer contribution	**1**	4
Acquisition gain	**2**	-
Benefits Paid (Net)	**30**	12
Net defined benefit Asset/(Liability) recognised in Balance Sheet	**(176)**	(186)

IV] Components of employer expenses recognised in the Statement of Profit and Loss:

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Service Cost	**23**	22
Interest cost	**10**	10
Expected return on plan assets	**(0)**	(0)
Total expense recognised in the Statement of Profit & Loss	**33**	32

V] Components of employer expenses recognised in the other comprehensive income:

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Actuarial (gain)/loss due to DBO experience	**0**	(9)
Actuarial (gain)/loss - demographic assumptions	**-**	0
Actuarial (gain)/loss due to DBO assumption changes	**12**	(5)
Remeasurement- Return on plan assets excluding amount included in interest income	**(2)**	0
Actuarial gain/(loss) recognised in OCI	**10**	(14)

VI] Assumptions

Particulars	**As at March 31, 2021**	As at March 31, 2020
Discount Rate	**5.90%**	6.10%
Salary Escalation Rate	**6.00%**	6.50%
Employee Separation Rate	**17.00%**	17.00%

a) Discount rate : It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities.

b) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) Employee separation Rate: The assumption of Employee separation rate represents the company's expected experience of employee turnover.

VII] Sensitivity analysis

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020
A: Discount rate		
1. Effect on DBO due to 0.5% increase in discount rate	**(4)**	(4)
2. Effect on DBO due to 0.5% decrease in discount rate	**4**	4
B: Salary Escalation Rate		
1. Effect on DBO due to 0.5% increase in Salary escalation rate	**4**	4
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	**(3)**	(4)
C: Withdrawal Rate		
1. Effect on DBO due to 5% increase in withdrawal rate	**(1)**	(2)
2. Effect on DBO due to 5% decrease in withdrawal rate	**2**	3

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VIII] Expected benefit payments for the period ended (Rs. in million)

1. March 31, 2022	38
2. March 31, 2023	27
3. March 31, 2024	27
4. March 31, 2025	29
5. March 31, 2026	29
6. March 31, 2027 to March 31, 2030	127

IX] Expected employer contributions for the period ended March 31, 2022 (Rs. in million) -

X] Weighted average duration of defined benefit obligation 5 years

XI] Accrued benefit obligation as at March 31, 2021 (Rs. in million) 140

XII] Vested benefit obligation as at March 31, 2021 (Rs. in million) 158

XIII] Plan asset information:

Particulars	As at March 31, 2021	As at March 31, 2020
Schemes of insurance - conventional products	**100%**	100%

XIV] Description of Plan characteristics and associated risks:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

XV] Description of Funding arrangements and policies:

The Gratuity scheme of the company is partially funded by way of a separate irrevocable Trust and the company is expected to make regular contributions to the Trust. The fund is managed internally by the company and assets are invested in insurance funded arrangements.

27 Disclosure as per IND AS 116-Leases

I. The details of the right-of-use asset held by the company is as follows:

Rs. in million

Particulars	**Additions for the year ended March 31, 2021**	Net carrying amount as at March 31, 2021
Right to use of office premises	**2**	288
Total	**2**	288

II. Amounts recognised in statement of profit and loss:

A. Expense recognised:

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Depreciation	**96**	96
Short-term lease expense	**20**	51
Interest on lease liability	**27**	33
Total	**143**	180

B. Income recognised:

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Income from sub-lease	**37**	21
Total	**37**	21

III. Amounts recognised in statements of cash flows:

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Cash outflow for leases	**100**	118
Total	**100**	118

IV. Maturity analysis for lease liabilities

i) Minimum Lease payments

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
For 1 Year	**92**	104
For 2 to 5 years	**232**	359
Above five year	**-**	14
Total	**324**	477

ii) Present Value of Minimum Lease Payments

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
For 1 Year	**69**	82
For 2 to 5 years	**215**	309
Above five year	**0**	13
Total	**284**	404

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019).

Impact of COVID-19

The leases that the company has entered with lessors towards properties used as delivery centres/sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

28. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the Related Party	Extent of holding / Relationship
Tech Mahindra Limited	Holding company
Where control exists:	
Comviva Technologies Nigeria Limited and its subsidiary:	100 % Subsidiary
Hedonmark {Management Services} Limited^^^	75 % subsidiary of Comviva Technologies Nigeria Ltd
Comviva Technologies Singapore PTE. Ltd.	100 % Subsidiary
Comviva Technologies FZ-LLC	100 % Subsidiary
Terra Payment Services South Africa (PTY) Ltd.^^^^^	100 % Subsidiary
Comviva Technologies USA INC.***	100 % Subsidiary
Comviva Technologies Myanmar Limited****	100 % Subsidiary
Comviva Technologies Cote D'Ivoire ##	100 % Subsidiary
Comviva Technologies Madagascar Sarlu.	100 % Subsidiary
YABX Technologies (Netherlands) BV	100 % Subsidiary
YABX India Private Limited*****	100 % Subsidiary
Comviva Technologies B.V. and its subsidiaries #	100 % Subsidiary
Comviva Technologies (Argentina) S.A.	99.96% subsidiary of Comviva Technologies B.V.
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)	99.96% subsidiary of Comviva Technologies B.V.
Comviva Technologies Colombia S.A.S.	100% subsidiary of Comviva Technologies B.V.
Comviva Technologies (Australia) Pty. Ltd	100% subsidiary of Comviva Technologies B.V.
Emagine International Pty. Ltd.	100% subsidiary of Comviva Technologies (Australia) Pty. Ltd
Comviva Technologies Mexico, S. de R.L. de C.V.###	99.96% subsidiary of Comviva Technologies B.V.
Terra Payment Services (Netherlands) BV and its subsidiaries^^	100 % Subsidiary
Mobex Money Transfer Services Limited^^	99.99% subsidiary of Terra Payment Services (Netherlands) BV
Terrapay Services (UK) Limited ^^	100% subsidiary of Terra Payment Services (Netherlands) BV

Terra Payment Services (Tanzania) Limited^^	99.99% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (Uganda) Limited^^	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services S.A.R.L. -(Senegal)^^	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services S.A.R.L.-(Congo B)^^	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services S.A.R.L. -(DRC)^^	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (UK) Limited ^^	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services Botswana (Pty) Limited^^	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (Mauritius)^^	100% subsidiary of Terra Payment Services (Netherlands) BV
Terra Payment Services (India) Private Limited^^^^	**100% subsidiary of Terra Payment Services (Netherlands) BV**
Other related parties with whom transactions during the year/ previous year:	
PT Tech Mahindra Indonesia	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Tech Mahindra Healthcare LLC	Fellow subsidiary
Tech Mahindra Nigeria Limited	Fellow subsidiary
Tech Mahindra Guatemala, S.A.	Fellow subsidiary
Tech Mahindra Growth Factories Limited (Merged with Tech Mahindra Limited)	Fellow subsidiary
HCI Group	Fellow subsidiary
Bharti Telesoft International Pvt. Ltd. Executives Providend Fund Trust	Post-employment benefit plan (Trust)
Bharti Telesoft Ltd. Employee Group Gratuity Trust	Post-employment benefit plan (Trust)
Key Management Personnel:	
Manoranjan Mohapatra	Chief Executive Officer
Neeraj Jain	Chief Financial Officer

^^^ With effect from 2 January 2020 , subsidiary has been sold off.

^^^^^ With effect from 4 March 2020, subsidiary has been sold off.

*** Incorporated on 5 November 2019.

**** Incorporated on 6 December 2019.

***** Incorporated on 15 July 2020.

Liquidated with effect from March 03, 2021

Incorporated on 18 February 2020, yet to commence operations.

Corporate Guarantee of Rs. 2,011 million (USD 28 million) to Bank of America for availing credit facility by Comviva Technologies B.V.

^^ With effect from 2 March 2020, subsidiary has been sold off.

^^^^ With effect from 11 December 2019, subsidiary's name has been stricken off.

b) Transactions with Related Parties:

Rs. in million

Particulars	Transactions For the year ended March 31, 2021 Revenue / (Expense)								Balance as at March 31, 2021 Assets / (Liabilities)											
	Sales	Interest Income	Cost of Goods/ Service (received)/ provided	Reimbursement of Expenses	Cost of fixed assets	Donation Given	Share Capital	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation s	Investment	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Subsidiary Companies																				
Comviva Technologies Nigeria Limited	-	-	-	-	-	-	-	-	38	-	-	-		86	-	151	-	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	0	-	-	-	-	-	-	-	-	-	-	(20)	30	-	28	11	-	(3)	-
Comviva Technologies FZ-LLC	198	-	-	-	-	-	-	-	231	44	19	-	(69)	(3)	-	1	-	(1)	(2)	-
Comviva Technologies B.V.	190	-	-	-	-	-	221	-	350	39	18	-		(6)	(10)	293	-	-	-	-
Comviva Technologies (Argentina) S.A.	-	-	(50)	-	-	-	-	-	-	-	-	-	(17)	-	-	14	-	-	-	-
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	2	-	-	-	-
Comviva Technologies Madagascar Sarlu	-	-	-	-	-	-	-	-	-	-	-	-		-	-	1	-	-	-	-
Comviva Technologies USA Inc	-	-	-	-	-	-	30	-	-	-	-	-		-	-	30	-	-	-	-
Comviva Technologies Myanmar Limited	-	-	-	98	-	-	15	-	-	-	-	-		96	-	15	-	-	-	-
YABX India Private Limited	-	-	-	-	-	-	20	-	-	-	-	-		(2)	-	20	-	-	-	-
YABX Technologies (Netherlands) BV	-	-	-	6	-	-	-	-	-			-		7	-	-	-	-	-	-
Comviva Technologies Colombia S.A.S.	16	-	(80)	-	-	-	-	-	-	1	-	-	(24)	-	-	-	-	-	-	-

Particulars	Transactions For the year ended March 31, 2021 Revenue / (Expense)								Balance as at March 31, 2021 Assets / (Liabilities)											
	Sales	Interest Income	Cost of Goods/ Service (received)/ provided	Reimbursement of Expenses	Cost of fixed assets	Donation Given	Share Capital	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation s	Investment	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Holding Company																				
Tech Mahindra Limited	220	-	(34)	(36)	-	-	-	-	210	29	17	-	(38)	-	-	-	-	-	(4)	-
Fellow Subsidiaries																				
PT Tech Mahindra Indonesia	51	-	-	-	-	-	-	-	8	4	4	-	-	-	-	-	-	-	(8)	-
Tech Mahindra Foundation	-	-	-	-	-	(14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	-	-	-	-	-	-	-	31	0	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	-	-	-	-	-	-	-	-	31	-	-	-	-	-	-	-	-	-	-	-
HCI Group	-	-	-	(29)	-	-	-	-	-	-	-	-	(29)	-	-	-	-	-	-	-
Key Management Personnel*																				
Manoranjan Mohapatra	-	-	-	-	-	-	-	(30)	-	-	-	-	-	-	-	-	-	-	-	(17)
Neeraj Jain	-	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	-	(3)

* * Shares purchased from Comviva Technologies BV

Particulars	Transactions For the year ended March 31, 2020 Revenue / (Expense)								Balance as at March 31, 2020 Debit / (Credit)											
	Sales	Interest Income	Cost of Goods/ Service (received)/ provided	Reimbursement of Expenses	Cost of fixed assets	Donation Given	Share Capital	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation s	Investment	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Subsidiary Companies																				

Particulars	Transactions For the year ended March 31, 2020 Revenue / (Expense)								Balance as at March 31, 2020 Debit / (Credit)											
	Sales	Interest Income	Cost of Goods/ Service (received)/ provided	Reimbursement of Expenses	Cost of fixed assets	Donation Given	Share Capital	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation s	Investment	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Comviva Technologies Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies Nigeria Limited	-	-	(25)	-	-	-	-	-	39	-	-	-	-	89	-	151	-	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	-	-	-	-	-	-	-	6	-	-	-	(21)	31	-	28	13	-	(3)	-
Comviva Technologies FZ-LLC	91	-	-	-	-	-	-	-	192	16	0	-	(71)	(1)	-	1	-	(9)	(3)	-
Terra Payment Services (Netherlands) BV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies B.V.	64	-	-	7	(128)	-	(71)	-	204	30	7	-	-	7	(10)	72	-	-	(7)	-
ATS Advanced Technology Solutions S.A.**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-	-	-	-
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
Terra Payment Services (Netherlands) BV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Terra Payment Services (Tanzania) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mobex Money Transfer Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Terra payment services South Africa (Pty) limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comviva Technologies Madagascar Sarlu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
Holding Company																				
Tech Mahindra Limited	167	-	-	(29)	-	-	-	-	250	46	19	-	(27)	-	-	-	-	(0)	(0)	-
Fellow Subsidiaries																				

Particulars	Transactions For the year ended March 31, 2020 Revenue / (Expense)								Balance as at March 31, 2020 Debit / (Credit)											
	Sales	Interest Income	Cost of Goods/ Service (received)/ provided	Reimbursement of Expenses	Cost of fixed assets	Donation Given	Share Capital	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Other Current Assets	Trade Payables#	Loans & other financial assets / liabilities	Contractual obligation s	Investment	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
PT Tech Mahindra Indonesia	22	-	-	-	-	-	-	-	72	9	-	-	-	-	-	-	-	-	(10)	-
Tech Mahindra Foundation	-	-	-	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Healthcare LLC	-	-	-	10	-	-	-	-	-	1	-	-	(10)	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	-	-	-	-	-	-	-	32	0	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	(34)	-	-	-	-	-	-	-	32	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Growth Factories Limited	-	-	(2)	-	-	-	-	-	-	-	-	1	(2)	-	-	-	-	-	-	-
Tech Mahindra South Africa (Pty) Limited	1	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel*																				
Manoranjan Mohapatra	-	-	-	-	-	-	-	(40)	-	-	-	-	-	-	-	-	-	-	-	(4)
Neeraj Jain	-	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	-	(1)

*The breakup of compensation of Key management personnel is as follows:

Rs. in million

Key Management Personnel	Short-term employee benefits	Post-employment benefits**	Other long-term benefits**	Termination benefits	Total
Manoranjan Mohapatra	30	-	-	-	30
	[40]	[-]	[-]	[-]	[40]
Neeraj Jain	11	-	-	-	11
	[11]	[-]	[-]	[-]	[11]

*** Employment benefits comprising gratuity, and compensated absences are not disclosed as these are determined for the company as a whole.

Figures in brackets ''[ ]'' are for the year ended March 31, 2020

Trade payables includes creditors for capital goods.

29 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

Rs. in million

Sr. No.	Particulars	**As at March 31, 2021**	As at March 31, 2020
1	Bank Guarantees	**126**	110
2	Corporate Guarantee*	**2,011**	2,080
3	Income tax matters (refer note I)	**907**	429
4	Indirect tax matters (refer note II)	**427**	427
5	Other claims against the company not acknowledged as debts (refer note III)	**48**	50

*Corporate Guarantee of USD 28 million (Rs.2,080 million) given to the bank for availing credit facility by Comviva Technologies B.V. (100% subsidiary of the company).

Note:

I Corporate Guarantee

The company has given a letter of comfort to bank for credit facilities availed by its subsidiary amounting to 2011 million and 2080 million as at March 31, 2021 and March 31, 2020. The Company has provided guarantees to third parties on behalf of its subsidiaries. The Company does not expect any outflow of resources in respect of the above.

II Income Tax Matter:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation and eligibility of tax incentives or allowances. The Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting 907 million and 429 million as at March 31, 2021 and March 31, 2020 respectively. The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution. The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Comviva Technologies Limited include India and African countries. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In African counties, the statute of limitation vary by state.

III Indirect Tax Matter:

The Company has ongoing disputes with tax authorities mainly relating to availment of input tax credit and indirect tax matters. The Company has demands amounting to 427 milion and 427 million as at March 31, 2021 and March 31, 2020, respectively from various indirect tax authorities which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

IV Other Claims:

Other claims aggregating INR 48 million and INR 50 million as at March 31, 2021 and March 31, 2020, respectively, against the Company have not been acknowledged as debt. The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

(ii) Commitments :

Rs. in million

Sr. No.	Particulars	**As at March 31, 2021**	As at March 31, 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**62**	31

30. Financial Instruments

I] Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2021 were as follows:

Rs. in million

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Assets:				
Investment in mutual fund (Refer note 4 (ii))	-	1,502	-	1,502
Cash and cash equivalents (refer note 10)	722	-	-	722
Other balances with banks (refer note 11)	39	-	-	39
Trade receivables (refer note 9)	3,911	-	-	3,911
Loans (refer note 5)	17	-	-	17
Other financial assets (refer note 12(i) & 12(ii))	1,478	31	9	1,518
Total	**6,167**	**1,533**	**9**	**7,709**
Liabilities:				
Trade payables (refer note 18)	1,091	-	-	1,091
Lease Liability	284			284
Other financial liabilities (refer note 19(i) & 19(ii))	541	-	-	541
Total	**1,916**	**-**	**-**	**1,916**

The carrying value of financial instruments by categories as at March 31, 2020 were as follows:

Rs. in million

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Assets:				
Investment in mutual fund (Refer note 4 (ii))	-	490	-	490
Cash and cash equivalents (refer note 10)	832	-	-	832
Other balances with banks (refer note 11)	50	-	-	50
Trade receivables (refer note 9)	4,270	-	-	4,270
Loans (refer note 5)	18	-	-	18
Other financial assets (refer note 12(i) & 12(ii))	966	-	-	966
Total	**6,136**	**490**	**-**	**6,626**
Liabilities:				
Trade payables (refer note 18)	1,257	-	-	1,257
Borrowings (refer note 15)	1	-	-	1
Lease liability	404			404
Other financial liabilities (refer note 19(i) & 19(ii))	351	32	11	394
Total	**2,013**	**32**	**11**	**2,056**

II] Fair Value Hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021:

Rs. in million

Particulars	Fair value measurement as at end of the reporting period using			
	As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**
Assets				
Investments in mutual fund	1,502	1,502	-	-
Derivative financial instruments - foreign currency forward contracts	40	-	40	-
Liabilities				
Derivative financial instruments - foreign currency forward contracts	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2020:

Rs. in million

Particulars	Fair value measurement as at end of the reporting period using			
	As at March 31, 2020	**Level 1**	**Level 2**	**Level 3**
Assets				
Investments in mutual fund	490	490	-	-
Derivative financial instruments - foreign currency forward contracts	-	-	-	-
Liabilities				
Derivative financial instruments - foreign currency forward contracts	43	-	43	-

III] Financial Risk Management

Financial Risk Factors

The Company’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company’s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company’s exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

The company revenue is denominated majorly in USD and EUR. The majority of the costs are in Indian rupee. This exposes the Company to currency fluctuation risk. The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. These forward contracts period lies between 1 day to 1 year.

The following are the outstanding USD/EUR : INR currency exchange contracts entered into by the company which have been designated as cash flow hedges:

Currency	Amount outstanding as at March 31, 2021 in foreign currency	Fair value Gain/ (loss) in Rs.	Amount outstanding as at March 31, 2021 in Rs.	No. of Contracts
In USD	17.72 million	36 million	1364 million	12 Contracts
	(March 31, 2020: 13 mn)	(March 31, 2020: (42) mn)	(March 31, 2020: 999 mn)	(March 31, 2020: 9 Contracts)
In Euro	1.24 million	4 million	113 million	4 Contract
	(March 31, 2020: 0.5 mn)	(March 31, 2020: (0.42) mn)	(March 31, 2020: 41 mn)	(March 31, 2020: 1 Contract)

Impact of COVID-19

The company basis their assessment believes that the probability of occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The company has also considered the effect of change, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 5,440 million, Rs. 5,254 million as at March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of trade receivables, unbilled revenue and other financial assets. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on. Refer note 29 (i).

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the expected credit loss allowance:

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Balance at the beginning of the year	**613**	475
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses.	**228**	138
Balance at the end of the year	**841**	613

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021

Particulars	Less Than 1 Year	More Than 1 Year	Total
Borrowings	-	-	-
Trade Payables	1,091	-	1,091
Other financial liabilities	600	225	825

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020

Particulars	Less Than 1 Year	More Than 1 Year	Total
Borrowings	1	-	1
Trade Payables	1,257	-	1,257
Other financial liabilities	463	334	797

iv] Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

Rs. in million

Particulars	Currency	**As at March 31, 2021**		As at March 31, 2020	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables, Unbilled Debtors & Contract Assets	BDT	**20**	**17**	2	2
	CDF	**11**	**0**	74	3
	EUR	**12**	**1,006**	11	884
	GBP	**0**	**7**	0	7
	GHS	**2**	**24**	1	10
	KES	**-**	**-**	4	3
	MWK	**49**	**5**	27	3
	RWF	**124**	**9**	153	12
	SCR	**0**	**1**	1	5
	SLL	**167**	**1**	214	2
	TZS	**(229)**	**(7)**	107	4
	UGX	**1,223**	**24**	262	5
	KWD	**0**	**16**	0	11
	AUD	**0**	**9**	0	20
	USD	**31**	**2,280**	35	2,659
	XAF	**56**	**7**	143	18
	XOF	**249**	**32**	155	20
	AED	**1**	**29**	-	-
	ZMW	**3**	**11**	3	11

Rs. in million

Particulars	Currency	**As at March 31, 2021**		As at March 31, 2020	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Other financial assets	AED	**0**	**6**	0	7
	BDT	**0**	**0**	-	-
	CDF	**37**	**1**	-	-
	EUR	**0**	**15**	0	12
	GBP	**0**	**1**	0	1
	KES	**2**	**2**	4	3
	MGA	**-**	**-**	-	-
	RWF	**1**	**0**	1	0
	SLL	**-**	**-**	-	-
	QAR	**-**	**-**	-	-
	TZS	**235**	**7**	-	-
	USD	**0**	**13**	1	48
	XAF	**73**	**10**	5	1
	MWK	**11**	**1**	-	-
	SCR	**0**	**0**	-	-
	ZMW	**1**	**4**	-	-
Trade Payables and Other financial liabilities	AED	**0**	**7**	0	7
	AUD	**0**	**1**	0	1
	BDT	**1**	**0**	0	0
	CDF	**(129)**	**(5)**	(139)	(6)
	EUR	**1**	**64**	1	73
	GBP	**0**	**2**	0	2
	GHS	**(0)**	**(1)**	0	1
	IDR	**7**	**0**	190	1
	KES	**2**	**1**	3	2
	KWD	**0**	**1**	0	1
	LKR	**8**	**3**	7	3
	MGA	**(157)**	**(3)**	(157)	(3)
	MWK	**15**	**1**	7	1
	MYR	**(0)**	**(2)**	(0)	(2)
	RWF	**11**	**1**	8	1
	SCR	**(0)**	**(0)**	0	0
	SGD	**0**	**6**	0	0
	SLL	**(913)**	**(7)**	(441)	(3)
	TZS	**(98)**	**(3)**	(80)	(3)
	UGX	**(42)**	**(1)**	(12)	(0)
	USD	**8**	**593**	8	632
	XAF	**263**	**35**	121	15
	XOF	**122**	**16**	65	8
	QAR	**(0)**	**(2)**	(0)	(2)
	ZAR	**1**	**6**	1	6
	ZMW	**(1)**	**(4)**	(1)	(3)

Forex sensitivity analysis:

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the company would result in increase/decrease in the company's profit before tax by approximately Rs. 347 million as at March 31, 2021 (Rs. 368 million as at March 31, 2020) for Trade Receivables, Unbilled Debtors & Contract Assets and Rs. 6 million as at March 31, 2021 (Rs. 7 million as at March 31, 2020) for other financial assets.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease/increase in the company's profit before tax by approximately Rs. 71 million as at March 31, 2021 (Rs. 73 million as at March 31, 2020) for trade payables or other financial liabilities.

31 Auditor Remuneration(net of indirect taxes)

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Statutory Audit	**4**	4
Tax Audit	**1**	1
Certification and other services	**2**	2
For reimbersement of expenses	**0**	1
Total	**7**	8

32 Corporate Social Responsibilty

a) Gross Amount required to be spent by the company Rs. 28 million during the year

b) Amount spent during the year Rs. 28 million

Particulars	**In cash**	**Yet to be paid in cash**	**Total**
Construction/acquisition of any asset*	-	-	-
	[-]	[-]	[-]
On purposes other than construction/acquisition of any asset*	28	-	28
	[23]	[-]	[23]

* Numbers in brackets "[ ]" pertains to previous year March 31, 2020.

33 Basic and Diluted Earning per share

Rs. in million except earning per share

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Nominal value per equity share	**10**	10
Profit for the year	**1,433**	779
Profit attributable to equity shareholders	**1,433**	779
	No. of Shares	No. of Shares
Weighted average number of equity shares	**22**	22
Weighted average number of diluted equity shares	**22**	22
Earning Per Share- Basic	**65.51**	35.62
Earning Per Share- Diluted	**65.51**	35.62

* Restated (Refer Note 44)

34 Provision for warranty:

The movement in the said provision is summarized below: Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Opening Balance	**10**	7
Add: Additional provision made during the period/year	**-**	3
Less: Provision reversed during the period/year	**(2)**	-
Closing balance	**8**	10

Note: Provision for warranty is estimated and made based on technical estimates of the management and is expected to be settled over the period of next year.

35 Segment Information has been presented in the Consolidated Financial Statements as permitted by Ind AS 108 on Operating Segments.

36 The Company has accounted as an expense of Rs. 16 million (year ended March 31, 2020: Rs. 23 million) pertaining to amortised cost of stock options granted to certain employees of the Company granted by Tech Mahindra Limited, its holding company. This cost is being accounted as an employee benefits expense.

37 Based on the information available with the company, following creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Dues to micro and small suppliers	**As at March 31, 2021**	As at March 31, 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	**16**	-
Interest	**-**	-
The amounts of the payments made to micro,small and medium suppliers beyond the appointed day during each accounting year.	**-**	-
The amount of interest paid under the act beyond the appointed day during the year	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**2**	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	**-**	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Company.

38 Particulars of loans given \ investments made \ guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Name	Nature	Amount of loan outstanding as at March 31, 2021	Period	Rate of interest	Purpose
For details of investments made, refer note 4					
Comviva Technologies B.V.	Guarantee	"Rs. 2,011 Million (USD 28 Million) [Rs. 2,080 Million (USD 28 Million)]"	Over the period of Loan	-	Corporate Guarantee of Rs. 2,011 million (USD 28 million) to Bank of America for availing credit facility by Comviva Technologies B.V.
Comviva Technologies Singapore PTE. Ltd.	Loan	"Rs. 30 Million (USD 0.41 Million) [Rs. 31 Million (USD 0.41 Million)]"	Repayable on demand	Libor+550 bps	Working capital loan

Figures in brackets “[ ]” are for the previous year ended March 31, 2020.

39 Disclosures for revenue from contracts with customers

a) Disaggregation of revenue

Revenue disaggregation by reportable segments is as follows: Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Licence fee with implementation and other services	**3,639**	3,817
Revenue sharing arrangements	**540**	668
Annual maintenance contract services	**1,618**	1,712
Income from sale of equipments and software (third party)	**773**	100
Total	**6,570**	6,297

Revenue disaggregation by geography is as follows:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
India	**1,042**	1,037
Rest of world	**5,528**	5,260
Total	**6,570**	6,297

b) Significant changes in the contract assets balances is as follows:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Opening balance	**364**	360
Add: Revenue recognised during the period	**215**	299
Less: Invoiced during the period	**(182)**	(249)
Add/less: Others	**(51)**	(46)
Closing balance	**346**	364

c) Significant changes in the contract liabilities balances is as follows:

Rs in million

Unearned Revenue	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Opening balance	**50**	50
Less: Revenue recognised during the period	**(38)**	(34)
Add: Invoiced during the period	**9**	34
Closing balance	**21**	50

d) The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Contracted transaction for period	**6,570**	6,297
Less: Adjustment for volume discount	**-**	-
Less: Adjustment for cash discount	**-**	-
Less: Adjustment for upfront discount	**-**	-
Less: Adjustment for penalties / liquidated damages	**-**	-
Revenue recognized in the statement of profit and loss for the period	**6,570**	6,297

Impact of COVID-19

The Company has evaluated the impact of the pandemic, amongst other matters, resulting from :

(i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, and

(ii) termination or deferment of contracts by customers.

The Company has concluded that the impact of the pandemic is not material based on these estimates.

40 Income Tax Expense

Tax expense in the statement of profit and loss comprises:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Current tax:		
-Tax expense related to current year	**614**	375
-Tax expense related to earlier year	**-**	121
Total Current tax	**614**	496
Deferred tax	**(93)**	153
Income tax expense recognised in profit or loss	**521**	649
Deferred tax asset in other comprehensive income	**8**	(8)
Total tax expense recognised in total comprehensive income	**529**	641

* Restated (Refer Note 44)

The tax expense for the period can be reconciled to the accounting profit as follows:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Profit before Tax	**1,954**	1,428
Effective Tax Rate	**26.67%**	45.45%
Tax expense recognised in profit or loss	**521**	649
Enacted tax rate	**25.17%**	25.170%
Income tax expense calculated at enacted rate	**492**	359
Deferred tax on account of write back of deferred tax asset - due to change in tax rates**	**-**	152
Effect of expenses/income that are not admissible in determining taxable profit	**8**	(4)
Effect of differential overseas tax rates	**12**	21
Prior period taxes (refer note 44)	**-**	101
Others	**9**	20
Income tax expense recognised in profit or loss	**521**	649

* Restated (Refer Note 44)

Note:

The tax rate used for the above reconciliations are the rates as applicable for the respective periods payable by corporate entities in India on taxable profits under the India tax laws.

**This includes the write back of MAT credit of Rs. 18 millions..

The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the ended 31st March 2020 and re-measured the balance of net deferred tax assets, basis the rate prescribed in the aforesaid section and recognised the effect of change in the profit and loss account. The remeasurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by ~INR 150 Mn which has been fully charged to the profit and Loss account.

41 Deferred Tax:

The following is the analysis of deferred tax assets presented in the balance sheet:

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Deferred tax assets	**467**	417
Deferred tax liabilities	**(33)**	(67)
Deferred tax assets (net)	**434**	350

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Rs in million

Particulars	**For the year ended March 31,2021**			
	Opening balance	**Recognized in Profit and loss**	**Recognized in OCI**	**Closing balance**
Provision for Employee benefits	137	37	(3)	171
Provision for Inventory and Trade receivables	155	57	-	212
Property, Plant & Equipment and Intangibles assets	(67)	36	-	(31)
Others	122	(38)	-	84
Cash flow hedging reserve	3	-	(5)	(2)
Net Deferred Tax Assets	350	92	(8)	434

Rs in million

Particulars	For the year ended March 31,2020			
	Opening balance	Recognized in Profit and loss	Recognized in OCI	Closing balance
Provision for Employee benefits	184	(44)	(3)	137
Provision for Inventory and Trade receivables	176	(21)	-	155
Property, Plant & Equipment and Intangibles assets	50	(117)	-	(67)
MAT Credit Entitlement	18	(18)	-	-
Others	69	53	-	122
Cash flow hedging reserve	(2)	10	(5)	3
Net Deferred Tax Assets	495	(137)	(8)	350

42 Foreign Exchange Management Act,1999 disclosure :

As per press release of RBI pursuant to FEMA Regulations dated April 01, 2020, company is required to collect outstanding dues from customers outside India within 15 months of supply of goods or service made upto July 31, 2020 (March 31, 2020: 9 months) . If any Company is unable to collect the due amount within the stipulated timeline, it has to apply to RBI for extension. The Company has trade receivable amounting to Rs. 1,537 mn (March 31, 2020: 1,302 mn) outside India which has not been collected within the stipulated deadline. For these trade receivables, the Company has filed an extension request (ETX filing) with RBI through its authorised dealers.

Further, a Company is also required to pay the outstanding dues to vendors outside India within 9 months of receipt of goods or service. The trade payables outside India outstanding for more than 9 months are Rs. 126 mn (March 31, 2020: 77 mn). The Company is in process for filling.

43 Sale of investment in subsidiary

The Board of Directors of company in its meeting held on 26 July 2019, concluded and accordingly divested its investment in Terra group for a consideration of INR 660 Million. The company signed definite SPA with shareholders and subsequently the shareholding was divested on 2 March, 2020 in Terra Payment(Netherlands) B.V. and on 6 March, 2020 in Terra Payment services South Africa Pty. Ltd. Accordingly, company has recognised net gain of INR 473 Million pertaining to sale of such subsidiary.

Further, during March 31, 2021 as per Share purchase agreement entered into with the acquirer, the company was entitled to receive additional consideration, accordingly the company has recognised a gain of INR 730 Million on the completion of requisite milestone. This consideration has been subsequently realised on April 15, 2021.

44 Restated Financial Statements:

Restated Standalone Financial Statements for the year ended 31st March, 2020 and as at 1st April, 2019

Standalone Balance Sheet as at 31st March, 2020

Rs. in million

Particulars	Reported Amount as on March 31, 2020	Restatements	Restated amount as on March 31, 2020
I ASSETS			
A Non current assets			
(a) Property, plant and equipment	**221**	-	221
(b) Capital work-in-progress		-	
(c) Right of use asset	**418**	-	418
(d) Other intangible assets	**118**	-	118
(e) Financial assets		-	
(i) Investments	**241**	-	241
(ii) Loans	**18**	-	18
(iii) Other financial assets	**74**	-	74
(f) Income tax assets (net)	**1,207**	(491)	716
(g) Deferred tax assets (net)	**350**	-	350

Rs. in million

Particulars	Reported Amount as on March 31, 2020	Restatements	Restated amount as on March 31, 2020
(h) Other non-current assets	**50**	-	50
Total non-current assets	**2,697**	(491)	2,206
B Current assets			
(a) Inventories	**89**	-	89
(b) Financial assets			
(i) Investments	**490**	-	490
(ii) Trade receivables	**4,270**	-	4,270
(iii) Cash and cash equivalents	**832**	-	832
(iv) Other balances with bank	**50**	-	50
(v) Other financial assets	**893**	-	893
(c) Other current assets	**811**	-	811
Total current assets	**7,435**	-	7,435
TOTAL ASSETS	**10,132**	(491)	9,641
II EQUITY AND LIABILITIES			
A Equity			
(a) Equity share capital	**219**	-	219
(b) Other equity	**7,183**	(385)	6,798
Equity attributable to owners of the company	**7,402**	(385)	7,017
1 Non current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	**324**	-	324
(ii) Other financial liabilities	**10**	-	10
(b) Provisions	**199**	-	199
(c) Other non-current liabilities	**15**	-	15
Total non-current liabilities	**548**	-	548
2 Current Liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	**80**	-	80
(ii) Borrowings	**1**	-	1
(iii) Trade payables		-	
- Dues of Micro, Small and Medium enterprises	**-**	-	-
- Dues of creditors other than MSME	**1,257**	-	1,257
(iv) Other financial liabilities	**384**	-	384
(b) Other current liabilities	**288**	-	288
(c) Provisions	**66**	-	66
(d) Current tax liabilities (net)	**106**	(106)	-
Total current liabilities	**2,182**	(106)	2,076
TOTAL EQUITY AND LIABILITIES	**10,132**	(491)	9,641

Restated Standalone Financial Statements for the year ended 31st March, 2020 and as at 1st April, 2019

Standalone Balance Sheet as at 1st April, 2019

Rs. in million

Particulars		Reported Amount as on March 31, 2019	Restatements	Transition Impact of Ind AS 116*	Restated amount as on April 1, 2019
I	**ASSETS**				
A	**Non current assets**				
	(a) Property, plant and equipment	**221**	-	-	221
	(b) Capital work-in-progress	**15**	-	-	15
	(c) Right of use asset	**-**	-	508	508
	(d) Other intangible assets	**9**	-	-	9
	(e) Financial assets				
	(i) Investments	**385**	-	-	385
	(ii) Loans	**28**	-	-	28
	(iii) Other financial assets	**52**	-	(22)	30
	(f) Income tax Asset (net)	**1,037**	(456)	-	581
	(g) Deferred tax assets (net)	**495**	-	-	495
	(h) Other non-current assets	**273**	-	-	273
	Total non-current assets	**2,515**	(456)	486	2,545
B	**Current assets**				
	(a) Inventories	**41**	-	-	41
	(b) Financial assets				
	(i) Investments	**-**	-	-	-
	(ii) Trade receivables	**3,676**	-	-	3,676
	(iii) Cash and cash equivalents	**576**	-	-	576
	(iv) Other balances with bank	**161**	-	-	161
	(v) Other financial assets	**1,389**	-	-	1,389
	(c) Other current assets	**583**	-	(40)	543
	Total current assets	**6,426**	-	(40)	6,386
	TOTAL ASSETS	**8,941**	(456)	446	8,931
II	**EQUITY AND LIABILITIES**				
A	**Equity**				
	(a) Equity share capital	**219**	-	-	219
	(b) Other equity	**6,358**	(284)	(32)	6,042
	Equity attributable to owners of the company	**6,577**	(284)	(32)	6,261
1	**Non current liabilities**				
	(a) Financial liabilities				
	(i) Lease Liabilities	**-**	-	343	343
	(ii) Other financial liabilities	**-**	-	-	-
	(b) Provisions	**259**	-	-	259
	(c) Other non-current liabilities	**18**	-	-	18
	Total non-current liabilities	**277**	-	343	620
2	**Current Liabilities**				
	(a) Financial liabilities				
	(i) Lease Liabilities	**-**	-	141	141
	(ii) Borrowings	**342**	-	-	342
	(iii) Trade payables				
	-Dues of Micro, Small and Medium enterprises	**0**	-	-	0
	-Dues of creditors other than MSME	**960**	-	-	960
	(iv) Other financial liabilities	**293**	-	(5)	288
	(b) Other current liabilities	**267**	-	-	267
	(c) Provisions	**52**	-	-	52
	(d) Current tax liabilities (net)	**173**	(173)	-	-
	Total current liabilities	**2,087**	(173)	136	2,050
	TOTAL EQUITY AND LIABILITIES	**8,941**	(457)	447	8,931

Restated Standalone Financial Statements for the year ended 31st March, 2020 and as at 1st April, 2019

Statement of Profit and Loss for the year ended 31st March, 2020

Rs. in million

Particulars			Reported Amount for the year ended March 31, 2020	Restatements	Restated amount for the year ended March 31, 2020
I.	Revenue from operations		**6,297**		6,297
II.	Other income		**373**		373
III.	**Total Income (I+II)**		**6,670**		6,670
IV.	**Expenses**				
	(a)	Employee benefits expense	**2,565**		2,565
	(b)	Subcontracting cost	**587**		587
	(c)	Finance costs	**59**		59
	(d)	Depreciation and amortization expense	**248**		248
	(e)	Other expenses	**2,215**		2,215
	Total expenses		**5,674**		5,674
V.	**Profit before tax from Continuing Operations before exceptional items**		**996**		996
VI.	**Exceptional items :**		**432**		432
VII.	**Profit before tax from Continuing Operations**		**1,428**		1,428
VIII.	**Tax expenses:**				
	(a)	Current tax	**395**	101	496
	(b)	Deferred tax (refer note 42)	**153**		153
			548	101	649
IX.	**Profit after tax**		**880**	(101)	779
X.	**Other comprehensive income**				
A)	(I)	Items that will not be reclassified to profit or loss			
	(a)	Re-measurement loss on defined benefit plans	**(14)**		(14)
	(II)	Income tax relating to items that will not be reclassified to profit or loss	**3**		3
B)	(I)	Items that will be reclassified to profit or loss			
	(a)	Net movement of effective portion on cash flow hedge	**(17)**		(17)
	(b)	Exchange difference in translating the financial statements of foreign operations	**5**		5
	(c)	Hyperinflation adjustment in Opening retained Earning	**(6)**		(6)
	(II)	Income tax relating to items that will be reclassified to profit or loss	**5**		5
XI.	**Other comprehensive income for the year**		**(23)**		(23)
XII.	**Total comprehensive income for the year**		**857**	(101)	756
XIII.	**Earnings per equity share for continuing operations (Face value of Rs. 10/- each)**				
	(a)	Basic (in Rs.)	**40.25**	(4.63)	35.62
	(b)	Diluted (in Rs.)	**40.25**	(4.63)	35.62

Restated Standalone Financial Statements for the year ended 31st March, 2020 and as at 1st April, 2019

Reconciliation of total equity as at 31st March 2020 and 1st April 2019

	As At 31st March 2020	As At 1st April 2019
Equity as per reported financial statement		
Equity share capital	219	219
Other equity	7,183	6,358
	7,402	**6,577**
Transition Impact of Ind AS 116	-	32
Reinstatement impact	385	284
Equity as per restated financial statement	**7,017**	**6,261**

Reconciliation of total comprehensive income for the year ended 31st March 2020

	As At 31st March 2020
Total comprehensive income reported as per reported financial statement	857
Reinstatement impact	101
Total comprehensive income as per reinstated financial statement	**756**

Notes:-

I During the year the management has re-assessed and reconciled its year on year tax position including foreign tax credits available in books against income tax returns and latest tax position have accordingly provided for foreign tax credit in excess of income tax liability for earlier years amounting to INR 385 million (net). The net charge is accounted as a prior period item by reinstating the comparatives in accordance with Indian Accounting standard (IND AS) 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. An amount of INR 284 million (net) has been adjusted to retained earnings as at 1 April 2019 and INR 101 million (net) charged to tax expense in the comparative year ended 31 March 2020.

II As required by Ind AS 1 – Presentation of Financial Statements, the company has presented Balance Sheet as at 1st April, 2019 for retrospective application of changes in income tax balances.

III There is no impact on the Cash flows of the company for the year ended 31st March, 2020

45 Previous year’s figures have been re-classified to conform to this year’s classification.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022
Deepesh Sharma
Partner
Membership No.: 505725
New Delhi

Date: 22 April 2021

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Manish Vyas
Director
Florida, USA

Jagdish Mitra
Director
Noida

Vivek Satish Agarwal
Director
Bengaluru

Sunita Umesh
Director
Gurugram

Rajat Mukherjee
Director
New Delhi

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: 22 April 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Comviva Technologies Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Comviva Technologies Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 42 of the consolidated financial statements, wherein the comparative information have been restated in accordance with the Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in relation to income tax balances.

Our opinion is not modified in respect of this matter.

Other Information (or anther title if appropriate, such as "Information Other than the Consolidated Financial Statements and Auditors' Report Thereon")

The holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's director report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor’s Responsiblities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditors’s report

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

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

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

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

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

Conclude on the appropriateness of management’s use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint ventures and joint operations to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures and joint operations to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled ‘Other Matters’ this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

Other Matters

(a) We did not audit the financial statements / financial information of 3 subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 3051 million as at 31 March 2021, total revenues (before consolidation adjustments) of Rs 1780 million and net cash flows (before consolidation adjustments) amounting to Rs.(90) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. . Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The financial statements/financial information of 11 subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 1,079 million as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. 837 million and net cash flows (before consolidation adjustments) amounting to Rs. 281 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

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

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 Of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.

C. With respect to the matter to be included in the Audit Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

DEEPESH SHARMA
Partner
Membership No. 505725
ICAI UDIN: 21505725AAAAAW7744

Place: New Delhi
Date: 22 April 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Comviva Technologies Limited for the period ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Comviva Technologies Limited (hereinafter referred to as "the holding Company") as of that date.

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of matter

We draw attention to Note 42 of the consolidated financial statements, wherein the comparative information have been restated in accordance with the Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in relation to income tax balances.

Our opinion is not modified in respect of this matter.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the

criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

Of the internal controls based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

DEEPESH SHARMA
Partner
Membership No. 505725
ICAI UDIN: 21505725AAAAAW7744

Place: New Delhi
Date: 22 April 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

Rs. in million

Particulars	Note No.	**As at March 31, 2021**	As at March 31, 2020 *	As at March 31, 2019 *
I ASSETS				
A Non current assets				
(a) Property, plant and equipment	3A	**264**	257	254
(b) Capital work-in-progress		**47**	18	21
(c) Right of use asset	3B	**319**	485	528
(d) Other intangible assets	3C	**62**	93	144
(e) Goodwill		**224**	210	399
(f) Financial assets				
(i) Other financial assets	11(i)	**98**	76	56
(g) Income tax Asset (net)		**1,058**	823	680
(h) Deferred tax assets (net)	4A	**539**	433	584
(i) Other non-current assets	5(i)	**303**	56	280
Total non-current assets		**2,914**	2,451	2,946
B Current assets				
(a) Inventories	6	**33**	96	55
(b) Financial assets				
(i) Investments	7	**1,502**	503	-
(ii) Trade receivables	8	**4,117**	4,719	4,026
(iii) Cash and cash equivalents	9	**1,304**	1,223	1,199
(iv) Other balances with bank	10	**100**	108	169
(v) Other financial assets	11(ii)	**1,530**	990	1,654
(vi) Loans	12	**154**	159	-
(c) Other current assets	5(ii)	**653**	858	718
Total current assets		**9,393**	8,656	7,821
TOTAL ASSETS		**12,307**	11,107	10,767
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity share capital	13	**219**	219	219
(b) Other equity	14	**7,120**	5,471	5,005
Equity attributable to owners of the company		**7,339**	5,690	5,224
1 Non current liabilities				
(a) Financial liabilities				
(i) Lease Liabilities		**245**	371	349
(ii) Other financial liabilities	19(i)	**10**	10	173
(b) Provisions	16(i)	**214**	221	268
(c) Other non-current liabilities	17(i)	**0**	20	54
(d) Deferred tax liabilities (net)	4B	**4**	4	12
Total non-current liabilities		**473**	626	856
2 Current Liabilities				
(a) Financial liabilities				
(i) Lease Liabilities		**82**	112	154
(ii) Borrowings	15	**1,425**	1,703	2,073
(iii) Trade payables	18	**1,637**	1,802	1,545
(iv) Other financial liabilities	19(ii)	**624**	622	382
(b) Other current liabilities	17(ii)	**291**	415	427
(c) Provisions	16(ii)	**109**	109	99
(d) Current tax liabilities (net)		**327**	28	7
Total current liabilities		**4,495**	4,791	4,687
TOTAL EQUITY AND LIABILITIES		**12,307**	11,107	10,767
* Restated (Refer Note 42)				
See accompanying notes forming part of the consolidated financial statements	1-44			

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
New Delhi

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Manish Vyas
Director
Florida, USA

Jagdish Mitra
Director
Noida

Vivek Satish Agarwal
Director
Bengaluru

Sunita Umesh
Director
Gurugram

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Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Neeraj Jain
Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: 22 April 2021

Date: 22 April 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Rs. in million

	Particulars	Note No.	For the year ended March 31,2021	For the year ended March 31,2020 *
	CONTINUING OPERATIONS			
I.	Revenue from operations	20	**8,451**	8,119
II.	Other income	21	**148**	209
III.	**Total Income (I+II)**		**8,599**	8,328
IV.	**Expenses**			
	(a) Employee benefits expense	22	**3,375**	3,357
	(b) Subcontracting cost		**636**	790
	(c) Finance costs	23	**59**	117
	(d) Depreciation and amortization expense	3	**318**	331
	(e) Other expenses	24	**2,860**	3,138
	Total expenses		**7,248**	7,733
V.	**Profit before tax from Continuing Operations before exceptional items**		**1,351**	595
VI.	**Exceptional items :**	25	**918**	(178)
VII.	**Profit before tax from Continuing Operations**		**2,269**	417
VIII.	**Tax expenses:**			
	(a) Current tax	38	**658**	450
	(b) Deferred tax	38	**(111)**	160
			547	610
IX.	**Profit /(loss) after tax from Continuing Operations**		**1,722**	(193)
X.	**DISCONTINUED OPERATIONS**	41		
	(a) Profit/(Loss) from Discontinued Operations		**-**	691
	(b) Tax from Discontinued Operations		**-**	101
	Profit after tax from Discontinued Operations		**-**	590
XI.	**Profit after tax for the year**		**1,722**	397
XII.	**Other comprehensive income**			
A)	(I) Items that will not be reclassified to profit or loss			
	(a) Re-measurement loss on defined benefit plans		**10**	(14)
	(II) Income tax relating to items that will not be reclassified to profit or loss		**(3)**	3
B)	(I) Items that will be reclassified to profit or loss			
	(a) Net movement of effective portion on cash flow hedge		**20**	(17)
	(b) Exchange difference in translating the financial statements of foreign operations		**(97)**	21
	(c) Hyperinflation adjustment in Opening retained Earning		**2**	(6)
	(II) Income tax relating to items that will be reclassified to profit or loss		**(5)**	5
XIII.	**Other comprehensive income for the year**		**(73)**	(8)
XIV.	**Total comprehensive income for the year**		**1,649**	389
	Proft/(Loss) for the year attributable to:			
	Owners of the Company		**1,722**	397
	Non controlling interests		**-**	-
	Other comprehensive income for the year attributable to:			
	Owners of the Company		**(73)**	(8)
	Non controlling interests		**-**	-
	Total comprehensive income for the year attributable to:			
	Owners of the Company		**1,649**	389
	Non controlling interests		**-**	-
XV.	**Earnings per equity share for continuing operations**	32		
	(Face value of Rs. 10/- each)			
	(a) Basic (in Rs.)		**78.72**	(8.83)
	(b) Diluted (in Rs.)		**78.72**	(8.83)
	Earnings per equity share for discontinued operations	32		
	(Face value of Rs. 10/- each)			
	(a) Basic (in Rs.)		**-**	27.00
	(b) Diluted (in Rs.)		**-**	27.00
	Earnings per equity share for continuing and discontinued operations	32		
	(Face value of Rs. 10/- each)			
	(a) Basic (in Rs.)		**78.72**	18.17
	(b) Diluted (in Rs.)		**78.72**	18.17

* Restated (Refer Note 42)

See accompanying notes forming part of the consolidated financial statements 1-44

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022
Deepesh Sharma
Partner
Membership No.: 505725
New Delhi

For and on behalf of the Board of Directors of
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Chief Financial Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

Date: 22 April 2021

Date: 22 April 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity share capital

Particulars	Number of Shares	Equity Share Capital (Rs. in Million)
Balance at April 1, 2019	21,869,000	219
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	**21,869,000**	**219**
Balance at April 1, 2020	21,869,000	219
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	**21,869,000**	**219**

b. Other Equity

Rs. in Million

Particulars	Reserves & Surplus			Items of OCI		Owners Equity	Non-Controlling interest	Total
	Securities Premium	Capital reserve	Retained Earnings	Foreign Currency Translation Reserve	Effective portion of cash flow hedge			
Balance at April 1, 2019*	567	53	4,337	44	4	5,005	-	5,005
Profit/(Loss) during the year	-	-	397	-	-	397	-	397
Other adjustment to minority interest	-	-	-	-	-	-	77	77
Transfer of Non Controlling interest to Owners's Equity	-	-	77	-	-	77	(77)	-
Other comprehensive income	-	-	(17)	21	(12)	(8)	-	(8)
Total comprehensive income	-	-	457	21	(12)	466	-	466
Balance as at March 31, 2020	**567**	**53**	**4,794**	**65**	**(8)**	**5,471**	**-**	**5,471**
Balance at April 1, 2020	567	53	4,794	65	(8)	5,471	-	5,471
Profit during the year	-	-	1,722	-	-	1,722	-	1,722
Other comprehensive income	-	-	9	(97)	15	(73)	-	(73)
Total comprehensive income	-	-	1,731	(97)	15	1,649	-	1,649
Balance as at March 31, 2021	**567**	**53**	**6,525**	**(32)**	**7**	**7,120**	**-**	**7,120**

* Restated (Refer Note 42)

Securities Premium :

The aggregate difference between the par value of shares and the subscription amount is recognised as share premium.

Capital Reserve :

Capital Reserve has been created pursuant to sales of Company's shares to Tech Mahindra Limited, acquired by ESOP trust from employees.

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

Foreign currency translation reserve :

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

Cash Flow Hedging Reserve :

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Rs. in million

Particulars		For the year ended March 31, 2021		For the year ended March 31, 2020 *	
		Rs.	Rs.	Rs.	Rs.
A]	**Cash flows from operating activities**				
	Profit before tax		**2,269**		1,108
	Adjustments for:				
	Depreciation and amortization	**318**		331	
	Profit on sale of property, plant and equipment	**(1)**		(0)	
	Profit on sale of investment	**(4)**		(3)	
	Dividend income	**-**		(1)	
	Gain due to fair valuation changes on financial assets	**(9)**		-	
	Interest expense	**59**		117	
	Interest income	**(25)**		(7)	
	Profit from discontinued operations	**-**		(735)	
	Unrealised foreign exchange difference (net)	**96**		(10)	
	Provision for impairement of goodwill	**-**		178	
	Rent concession	**(16)**		-	
	Additional business consideration	**(730)**		-	
	Contractual obligation written back	**(188)**		-	
	Reversal of provision no longer required	**(31)**		(62)	
	Provision for doubtful debt	**275**		224	
			(256)		32
	Operating gain before working capital changes		**2,013**		1,140
	Adjustments for changes in working capital:				
	(Decrease)/increase in trade payable, other liabilities and provisions	**(111)**		339	
	Decrease/(increase) in trade receivables	**140**		(735)	
	Decrease in other assets, loans and advances	**184**		776	
			213		380
	Cash generated from operations		**2,226**		1,520
	Direct taxes paid (net of refund)		**(593)**		(672)
	Net cash flows generated/(used) in operating activities (A)		**1,633**		848
B]	**Cash flows from investing activities**				
	Purchase of property, plant and equipment	**(208)**		(161)	
	Interest Received	**15**		4	
	Dividend Received	**-**		(0)	
	Purchase of Investments (Net)	**(985)**		(500)	
	Proceed from sale of subsidiary	**-**		661	
	Sale of property, plant and equipment	**3**		1	
	Proceed from sub-lease	**-**		10	
	Other loan	**0**		(159)	
	Net cash flows used in investing activities (B)		**(1,175)**		(144)

Rs. in million

Particulars	For the year ended March 31, 2021 Rs.	Rs.	For the year ended March 31, 2020 * Rs.	Rs.
C] Cash flows from financing activities				
Payment of lease liability	**(89)**		(91)	
(Repayment) from Short term borrowings (net)	**(217)**		(480)	
Finance Cost	**(56)**		(117)	
Net cash flows from/(used in) financing activities (C)		**(362)**		(688)
D] Exchange differences on translation of foreign currency cash and cash equivalents		**(15)**		8
Net Increase/(decrease) in cash and cash equivalents (A + B+ C + D)		**81**		24
Cash & cash equivalents at the end of the year (refer note 1 below)		**1,304**		1,223
Cash & cash equivalents at the beginning of the year		**1,223**		1,199
Net decrease in cash and cash equivalents		**81**		24

* Restated (Refer Note 42)

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**0**	2
Remittances in transit	**66**	150
Balance with banks		
- In current accounts	**1,060**	1,071
- In deposit accounts	**178**	-
Cash and cash equivalents in discontinued operations	**-**	-
Total Cash and cash equivalents - refer note 9	**1,304**	1,223

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

Note 4:

Previous period's figures have been rearranged/regrouped wherever necessary.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022
Deepesh Sharma
Partner
Membership No.: 505725
New Delhi
Date: 22 April 2021

For and on behalf of the Board of Directors of
Comviva Technologies Limited

Manish Vyas
Director
Florida, USA

Sunita Umesh
Director
Gurugram

Jagdish Mitra
Director
Noida

Rajat Mukherjee
Director
New Delhi

Neeraj Jain
Chief Financial Officer
Gurugram
Date: 22 April 2021

Vivek Satish Agarwal
Director
Bengaluru

Manoranjan Mohapatra
Chief Executive Officer
Gurugram

Parminder Singh Bakshi
Company Secretary
Gurugram

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Company Overview

Comviva Technologies Limited (“the Company”) is the global leader of mobility solutions and a part of Mahindra Group. With customer centricity, innovation and ethical corporate governance at its core, the company’s offerings are broadly divided into three categories: Financial Solutions, Digital Systems and Growth Marketing. Its extensive portfolio of solutions spans digital financial services, customer value management, messaging and broadband solution and digital lifestyle services. The company strives to enable service providers to enhance customer experience, resolve real, on-ground challenges and leverage technology to transform the lives of customers. Comviva’s solutions are deployed by over 130 mobile service providers and financial institutions in over 95 countries and enrich the lives of over two billion people to deliver a better future.

The Company is a subsidiary of Tech Mahindra Limited.

The consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on April 22, 2021.

2. Significant Accounting Policies

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of consolidated financial statements

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (“INR”). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Group’s normal operating cycle.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Basis of Consolidation:

The consolidated financial statements comprise the financial statements of Comviva Technologies Limited and its subsidiaries (the Company and its subsidiaries constitute “the Group”).

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity’s returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses and cash flows are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Particulars of Consolidation:

The consolidated financial statements present the consolidated accounts of the Group, which consists of accounts of the Company and its subsidiaries:

Investment in Subsidiaries:

Sr. No.	Name of the Subsidiary	Country of Incorporation	As at March 31, 2021	As at March 31, 2020
1	Comviva Technologies Nigeria Limited	Nigeria	100%	100%
2	Comviva Technologies Singapore Pte. Ltd.	Singapore	100%	100%
3	Comviva Technologies FZ-LLC	UAE, Dubai	100%	100%
4	Comviva Technologies B.V. and its subsidiaries:	Netherlands	100%	100%
	i. Comviva Technologies (Argentina) S.A. (0.04% held by Comviva Technologies limited)	Argentina	100%	100%
	ii. Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA) (0.04% held by Comviva Technologies limited)	Brazil	100%	100%
	iii. Comviva Technologies Colombia S.A.S.	Colombia	100%	100%
	iv. Comviva Technologies Mexico, S. de R.L. de C.V.* (0.04% held by Comviva Technologies FZ LLC)	Mexico	100%	100%
	v. Comviva Technologies (Australia) Pty. Ltd. And its subsidiary	Australia	100%	100%
	a. Emagine International Pty. Ltd.	Australia	100%	100%
5	Comviva Technologies Madagascar Sarlu	Madagascar	100%	100%
6	YABX Technologies (Netherlands) BV**	Netherlands	100%	100%
7	Comviva Technologies USA Inc.	USA	100%	100%
8	Comviva Technologies Myanmar Ltd.	Myanmar	100%	100%
9	Comviva Technologies Cote D'ivorie***	Ivory Coast	100%	100%
10	Yabx India Private Limited	India	100%	-

* In February 2018, Comviva Technologies Mexico, S. de R.L. de C.V. was incorporated through Company's subsidiary Comviva Technologies B.V. whereas 0.04% is held by Comviva Technologies FZ-LLC and has not infused capital till March 31, 2021. The company was liquidated with effect from March 3, 2021. However, cancellation of the registration before the Mexican Tax Authorities is pending.

**, In June 2018, YABX Technologies (Netherlands) BV was incorporated as wholly owned subsidiary, however, capital has not been infused till March 31, 2021.

The Company also maintains an ESOP named "Comviva ESOP Trust" which is also consolidated in company financial statements.

***, The Company incorporated another wholly owned subsidiary named Comviva Technologies Cote D'ivorie in February 2020, however capital is not infused till March 31,2021 and no business in same was started.

2.4 Business Combinations:

a. Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquire. Acquisition related costs are generally recognized in profit or loss as incurred.

b. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

c. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

d. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 Financial Instruments or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in profit or loss.

e. Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over its useful lives.

Intangible assets consist of acquired contract rights, rights under licensing agreement and software licenses and customer-related intangibles.

2.5 Use of Estimates:

The preparation of consolidated financial statements requires the management of the Group to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Revenue Recognition

The Group applies the proportionate method for measurement of performance obligation in accounting for its fixed price development contracts. Use of the proportionate method requires the Group to estimate the efforts to date as a proportion of the total budgeted efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity.

ii) Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under Note 2.16.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. 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 Group's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.6.

iv) Provisions

Provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.18.

v) Impairment of Goodwill

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted- average cost of capital based on the historical market returns of comparable companies.

2.6 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other Intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortization on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life except in respect of the following categories of assets, where the life of the assets has been assessed as under based on technical advice, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc..

Type of Asset	Estimated useful life
Plant and Equipment (including Computers)	3 year
Plant and Equipment (Electrical Equipment)	5 year
Office Equipment	5 year
Furniture and Fixtures	5 year

The estimated useful lives and residual values of the Property, Plant & Equipment and Other Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software and Hardware acquired for specific projects are amortized over the initial contract life of the project.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Intellectual Property Right (IPR) is amortized over a period of 4 years.

Customer relationships and contracts are amortized over a period of 3 years.

Licenses are amortized over a period of 2 years.

2.7 Leases

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

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Group has elected to apply modified retrospective approach for transition to Ind AS 116.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.8 Impairment of Assets

i) Financial assets

Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortized cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decrease can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

2.9 Inventories

Inventories are stated at lower of cost or net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.10 Non – current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. If the criteria stated by IND AS 105 “Non-current Assets Held for Sale and Discontinued Operations” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of:

i. It’s carrying amount before the asset was classified as held for sale, and

ii. It’s recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.11 Revenue recognition

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

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognized upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered, revenue against these services recognized over the period of time using proportionate method for measuring performance obligation.

Revenue from the sale of distinct third party hardware is recognized at the point in time when risk and rewards is transferred to the customer.

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognized when there are billings in excess of revenues.

Use of significant judgments in revenue recognition.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Dividend income is recognized when the Group's right to receive dividend is established.

2.12 Foreign currency transactions

(a) Presentation and functional currencies

The functional currency of Comviva Technologies Limited is Indian Rupees (INR) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

(b) Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency (INR) using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the profit or loss.

(c) Adjustment due to hyperinflation

After July 1, 2018, the Argentine economy was considered, for purposes of IND AS 29 as hyperinflationary. The financial statements of the subsidiaries whose functional currency is the Argentine Peso have been restated.

The non-monetary items of the statement of financial position as well as the income statement, comprehensive incomes and cash flows of the group's entities, whose functional currency corresponds to a hyperinflationary economy, are adjusted for inflation and re-expressed in accordance with the variation of the consumer price index ("CPI"), at each presentation date of its financial statements. The re-expression of non-monetary items is made from the date of initial recognition in the statements of financial position and considering that the financial statements are prepared under the historical cost criterion.

Net losses or gains arising from the re-expression of non-monetary items and income and costs are recognized in the consolidated income statement under "Hyperinflation Adjustment on net monetary position".

Net gains and losses on the re-expression of opening balances due to the initial application of IND AS 29 are recognized in the consolidated retained earnings.

Re-expression due to hyperinflation will be recorded until the period in which the economy of the entity ceases to be considered as a hyperinflationary economy, at that time, the adjustments made by hyperinflation will be part of the cost of non-monetary assets and liabilities.

The comparative amounts in the consolidated financial statements of the Company are presented in a stable currency and are not adjusted for subsequent changes in the price level or exchange rates.

2.13 Foreign Operations:

For the purpose of these financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in equity.

2.14 Financial Instruments:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derivative financial instruments and hedge accounting

The Group uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Group designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The use of foreign currency forward contracts / options is governed by the Group policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The counter party to the Group's foreign currency forward contracts is generally a bank. The Group does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and accumulated under Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts previously recognized in other comprehensive income and accumulated in Hedging Reserve are reclassified to profit or loss in the same period in which gains/losses on the item hedged are recognized in the Statement of Profit or Loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in Hedging Reserve are transferred from Hedging Reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument classified in Hedging Reserve is retained there and is classified to Statement of Profit and Loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in Hedging Reserve is transferred to the Statement of Profit and Loss for the period.

iii) De-recognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The group derecognizes financial liabilities when, and only when, the group's obligation is discharged, cancelled or have expired.

2.15 Employee benefits

i) Gratuity:

The group accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for India location. Certain overseas subsidiaries/ branches of the group also provide for retirement benefit plans in accordance with the local laws.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. Full contribution is made to recognised provident fund with effect from September 1, 2020. Till August 31, 2020 a portion of the contribution was made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the government administered pension fund. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

iii) Compensated absences:

The group provides for the compensated absences subject to group's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for India location and some branches of Company, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries and other branches of Company.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

iv) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2.16 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset is recognized 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 utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income 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 income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Group will pay normal income tax in future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.17 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.18 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 recognized as a finance cost.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

2.19 Provision for Warranty

The Group has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Group estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.20 Research and Development

Research costs are recognized in the statement of profit and loss in the period it is incurred. Development costs are recognized in the statement of profit and loss in the period it is incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use the asset and the costs can be measured reliably.

2.21 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit and loss.

2.22 Discontinued operations

A discontinued operation is a component of Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and

i. Is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

ii. Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit loss is re-presented as if the operation had been discontinued from the start of the comparative period.

2.23 Government grants:

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the financial statements and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets. Grants related to revenue are accounted for as other income in the period in which the related costs which Government intend to compensate are accounted for to the extent there is no uncertainty in receiving the same. Incentives which are in the nature of subsidies given by the Government which are based on the performance of the Group are recognized in the year of performance/eligibility in accordance with the related scheme. Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for at their fair value.

2.24 New accounting pronouncement to be adopted on or after April 1, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to:-

a) Change in existing presentation requirements for certain items in Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on Equity share capital

b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same..

Note 3 - Property, Plant and Equipment

Rs. in million

Particulars	Gross Block						Accumulated Depreciation / Amortization						Net Block	
	As at April 1, 2020	Additions during the period	Disposals during the period	Discontinued Operations	Translation exchange difference during the period	As at March 31, 2021	As at April 1, 2020	For during the period	On disposal during the period	Discontinued Operations	Translation exchange difference during the period	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020*
3A. Tangible Assets														
Plant and equipment	989	113	21	-	(6)	1,075	819	106	19	-	(7)	899	176	170
(Previous year)	1,049	104	167	1	4	989	883	99	166	1	4	819	170	166
Furniture and fixtures	71	5	33	-	(7)	36	62	3	33	-	(6)	26	10	9
(Previous year)	81	2	13	-	1	71	69	6	13	-	0	62	9	12
Office equipment	104	7	9	-	0	102	63	13	9	-	0	67	35	41
(Previous year)	78	30	3	-	(1)	104	54	13	3	0	(1)	63	41	24
Vehicle	0	0	-	-	(0)	0	0	-	-	-	(0)	0	0	(0)
(Previous year)	0	-	-	-	0	0	0	0	-	-	0	0	(0)	-
Improvement to leased premises	119	23	7	-	9	144	82	18	6	-	7	101	43	37
(Previous year)	131	1	12	-	(1)	119	79	16	12	-	(1)	82	37	52
Total	1,283	148	70	-	(4)	1,357	1,026	140	67	-	(6)	1,093	264	257
Previous Year	1,339	137	195	1	3	1,283	1,085	134	194	1	2	1,026	257	254
3B. Right of use asset														
Right of Use for Office Premises	598	4	62	-	(21)	519	113	114	25	-	(2)	200	319	485
(Previous year)	-	597	-	-	1	598	-	113	-	-	(0)	113	485	-
Total	598	4	62	-	(21)	519	113	114	25	-	(2)	200	319	485
Previous Year	-	597	-	-	1	598	-	113	-	-	(0)	113	485	-
3C. Intangible Assets														
(Other than internally generated)														
Computer software	589	32	-	-	(1)	620	587	33	-	-	(1)	619	1	2
(Previous year)	566	22	-	-	1	589	564	22	-	-	1	587	2	2
Intellectual property rights	226	0	-	-	(0)	226	140	26	-	-	(1)	165	61	86
(Previous year)	221	(0)	-	-	5	226	95	51	-	-	(6)	140	86	126
Intangible Assets-Customer rights	176	0	-	-	12	188	171	5	-	-	12	188	0	5
(Previous year)	**169**	**0**	**-**	**-**	**7**	**176**	**153**	**11**	**-**	**-**	**7**	**171**	**5**	**16**
Intangible Assets-Licences	(0)	0	-	-	0	0	(0)	-	-	-	0	-	(0)	-
(Previous year)	9	0	-	9	0	(0)	9	0	-	9	0	(0)	(0)	-
Total	991	32	-	-	11	1,034	898	64	-	-	10	972	62	93
Previous Year	965	22	-	9	13	991	821	84	-	9	2	898	93	144

Note 4A - Deferred tax assets (net) :

Deferred tax assets have been offset where they arise in the same taxing jurisdiction with a legal right to offset but not otherwise. Accordingly the net deferred tax assets have been disclosed in the Balance Sheet as follows:

Rs. in million

Particulars	As at	
	March 31, 2021	March 31,2020
Break up of deferred tax assets		
Provision for Employee benefits	**191**	149
Provision for Inventory and Trade receivables	**212**	155
Carried forward of business losses	**67**	59
Cash flow hedging reserve	**-**	3
Others	**89**	121
Break up of deferred tax liability		
Cash flow hedging reserve	**(2)**	-
Property, Plant & Equipment and Intangible assets	**(18)**	(54)
Total	**539**	433

‘Deferred tax assets in the Company have been recognised to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse. For certain components of the Group, deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

Note 4B - Deferred tax liablities (net) :

Deferred tax assets and liabilities have been offset where they arise in the same taxing jurisdiction with a legal right to offset but not otherwise. Accordingly the net deferred tax (assets)/liability has been disclosed in the Balance Sheet as follows

Rs. in million

Particulars	As at	
	March 31, 2021	March 31,2020
Others	**4**	4
Total	**4**	4

Note 5 - Other Assets :

(i) Other non current assets

Rs. in million

Particulars	As at	
	March 31, 2021	March 31,2020
Capital advances		
Considered good	**2**	1
Considered doubtful	**0**	0
	2	1
Provision for doubtful advances	**0**	0
	2	1
Prepaid expenses	**5**	5
Balance with Government authorities	**296**	50
Total	**303**	56

(ii) Other current assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Advance to suppliers		
Considered good	**23**	30
Considered doubtful	**1**	-
	24	30
Provision for doubtful advances	**1**	-
	23	30
Other loans and advances		
Considered good	**10**	50
Considered doubtful	**8**	9
	18	59
Provision for doubtful advances	**8**	9
	10	50
Balance with Government authorities	**160**	278
Prepaid expenses	**103**	127
Contract Assets	**357**	372
Other receivable	**-**	1
Total	**653**	858

Note 6 - Inventories :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
(Valued at lower of cost and net realizable value)		
Others - Stock of IT equipments, purchased software (Consumed in IT projects) and others	**33**	96
Total	**33**	96

Note 7 - Investments : current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Investment in Mutual Funds		
ICBC-Alpha Fondos de Inversion : Alpha Pesost : Nil (Previous year: 8,183,669.9553 Units) @ NAV Nil (Previous year: NAV ARS 6.72070)	**-**	13
UTI Mutual Fund : Nil (Previous year: 181,207.184 units) @ NAV Rs.3,344.03 (Previous year: NAV Rs. 2,712.48)	**-**	490
UTI Liquid Cash Plan - Direct Growth Plan : 44,5749.315 units (Previous year: Nil units) @ NAV Rs. 3,370.4873 (Previous year: NAV Rs. Nil)	**1,502**	-
Total	**1,502**	503

Note 8 - Trade receivables :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Trade Receivables (Unsecured)		
- Considered good*	**4,117**	4,719
- Considered doubtful	**875**	638
	4,992	5,357
Less: Provision for doubtful trade receivables	**875**	638
Total	**4,117**	4,719

* Net of Advances aggregating to Rs. 146 million (Previous Year: Rs. 172 million) pending adjustments with invoices.

Note 9- Cash and cash equivalents :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Cash on hand	**0**	2
Remittances in transit	**66**	150
Balances with banks:		
- In current accounts	**1,060**	1,071
- In deposit accounts	**178**	-
Total	**1,304**	1,223

Note 10 - Other balances with bank :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Earmarked balances with bank		
-Balance held under Escrow account	**70**	74
-Balances held as margin money/security towards obtaining Bank Guarantees	**30**	34
Total	**100**	108

Note 11 - Other financial assets :

(i) Other non current financial assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Security deposits		
Considered good	**52**	50
Considered doubtful	**-**	3
	52	53
Provision for doubtful security deposit	**-**	3
	52	50
Unbilled Revenue	**46**	26
Total	**98**	76

(ii) Other current financial assets

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Unbilled Revenue	**769**	969
Derivative financial assets	**40**	-
Security deposits (net of provision)	**9**	7
Interest accrued	**4**	0
Additional business consideration receivable	**706**	-
Other receivables	**2**	14
Total	**1,530**	990

Note 12 - Loans

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Other loans	**154**	159
Total	**154**	159

Note 13 -Equity Share capital :

Rs. in million

Particulars	March 31, 2021 Number	March 31, 2021 Rs. in million	March 31,2020 Number	March 31,2020 Rs. in million
(a) Authorized :				
Equity shares of Rs. 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of Rs. 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of Rs. 10 each fully paid up	**21,869,000**	**219**	21,869,000	219
Total	**21,869,000**	**219**	21,869,000	219

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2021 Number	March 31, 2021 Rs. in million	March 31,2020 Number	March 31,2020 Rs. in million
Equity Shares				
Opening Balance	**21,869,000**	**219**	21,869,000	219
Add: Shares issued during the year	**-**	**-**	-	-
Closing Balance	**21,869,000**	**219**	21,869,000	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company has fully convertible non-cumulative redeemable preference shares having a par value of Rs. 10 per share.

(iii) Details of shares held by the holding company

Particulars	As at March 31, 2021	As at March 31,2020
Tech Mahindra Limited	**21,866,906**	21,866,906

(iv) Details of equity shares held by shareholder holding more than 5%:

Particulars	March 31, 2021		March 31,2020	
	No of Shares	**% of Holding#**	**No of Shares**	% of Holding#
Equity shares of Rs. 10 each fully paid up				
Tech Mahindra Limited	**21,866,906**	**99.99%**	21,866,906	99.99%

This percentage of holding is presented with reference to Issued, Subscribed and Paid up.

Note 14 - Other Equity :

Rs. in million

Particulars	As at March 31, 2021		As at March 31,2020	
Securities premium account		**567**		567
Capital Reserve		**53**		53
Hedging Reserve (refer note 31)				
Opening balance	**(8)**		4	
Add/(less): change in fair value of forward contracts (net)	**15**		(12)	
Closing balance		**7**		(8)
Foreign Currency Translation Reserve				
Opening balance	**65**		44	
Add: Foreign currency translation for the period	**(97)**		21	
Closing balance		**(32)**		65
Surplus in the statement of profit and loss				
Opening balance	**4,794**		4,337	
Less: Transfer from non controlling interest	**-**		77	
Add: Profit for the year	**1,722**		397	
Less: Other comprehensive income for the period	**9**		**(17)**	
Closing balance		**6,525**		4,794
Statutory Reserve#		**0**		0
Total		**7,120**		5,471

* Restated (Refer Note 42)

#In accordance with the Memorandum and Articles of Association, the Company, Comviva Technologies FZ LLC, has established a statutory reserve by appropriation of 10% of net profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution, except in the circumstances stipulated by the Memorandum and Articles of Association. No further transfer is required as the reserve is equal to 50% of share capital as at March 31, 2021.

Note 15 -borrowings :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Secured:		
From bank (Secured by corporate guarantee)*	**1,389**	1,681
From bank**	**16**	0
From Other (refer note 29)	**20**	22
Total	**1,425**	1,703

* Loan from Bank of America is secured against corporate guarantee and is carrying an interest rate of LIBOR + 125 BP (Previous Year : LIBOR+ 80BP).

** Includes working capital loans carying an interest rate of 13.08% and 15% , (Previous Year : 29.59% and 27.4%). These loans are repayable on demand..

Note 16 - Provisions :

(i) Long-term provisions

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Provision for employee benefits		
-Gratuity	**161**	172
-Compensated absences	**53**	49
Total	**214**	221

(ii) Short-term provisions

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Provision for employee benefits		
-Gratuity	**35**	29
-Compensated absences	**65**	70
	100	99
Provision for warranties (refer note 33)	**9**	10
Total	**109**	109

Note 17 - Other liabilities :

(i) Non-current liabilities

Particulars	As at March 31, 2021	As at March 31,2020
Unearned revenue	**0**	20
Total	**0**	20

(ii) Current liabilities

Particulars	As at March 31, 2021	As at March 31,2020
Unearned revenue	**44**	88
Statutory remittances	**126**	194
Advance from customers	**121**	133
Total	**291**	415

Note 18 - Trade payables :

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Creditors for supplies / services	**1,637**	1,802
Total	**1,637**	1,802

Note 19 - Other Financial liabilities:

(i) Other Financial liabilities: Non Current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Sublease Refundable Security Deposit	**10**	10
Total	**10**	10

(ii) Other Financial liabilities : Current

Rs. in million

Particulars	As at March 31, 2021	As at March 31,2020
Contingent Contractual Obligation	**-**	163
Payables on purchase of property, plant and equipment	**49**	46
Interest accrued	**14**	11
Employee related payables	**561**	359
Derivative financial liabilities	**-**	43
Total	**624**	622

Note 20 - Revenue from operations :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Income from Comviva Product and related managed support		
Licence Fee with Implementation and other services*	**4,129**	4,134
Revenue sharing arrangements	**1,562**	1,811
Annual maintenance contract services	**1,896**	2,038
	7,587	7,983
Income from sale of equipments and software (third party)**	**864**	136
Total	**8,451**	8,119

*Includes revenue in respect of time & material and managed services contracts.

**Includes revenue in respect of certain contracts which involve delivery of hardware equipment / software but are still part of an integrated solution to the customer, the corresponding cost of which is reflected under cost of hardware equipments, softwares and other items (refer note 24)

Note 21 - Other income :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Interest income	**25**	7
Profit on sale of investment	**4**	3
Gain due to fair valuation changes on financial assets	**9**	-
Dividend income	**-**	1
Exchange gain (net)	**3**	109
Profit on sale of property, plant and equipment	**1**	0
Sundry Balances written back	**31**	62
Miscellaneous Income	**39**	6
Income from Sublease	**36**	21
Total	**148**	209

Note 22- Employee benefits expense :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Salaries, wages and bonus*	**3,024**	2,952
Defined contribution /benefits plan cost	**293**	319
Staff welfare expenses	**58**	86
Total	**3,375**	3,357

* It includes long term incentive plan payable to senior management based on future projected earnings of the company. However, based on revised projections, same is not payable on account and hence has been reversed March 31, 2021: Nil (Previous year: INR 89 million)

Note 23- Finance costs :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Interest expense on bank overdraft and others	**31**	83
Finance cost related to ROU liability	**28**	34
Total	**59**	117

Note 24 - Operating and other expense:

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Cost of hardware equipment, softwares and other items	**1,282**	759
Royalty and software charges	**506**	659
Travelling and conveyance	**21**	559
Freight and forwarding charges	**48**	4
Recruitment Expenses	**8**	22
Power and fuel	**22**	30
Rent	**43**	71
Rates and taxes	**44**	59
Insurance	**49**	70
Repairs and maintenance:	**242**	267

Particulars		For the year ended March 31,2021		For the year ended March 31, 2020
Advertising and sales promotion		**67**		76
Communication costs		**53**		60
Corporate Social Responsibility		**28**		23
Legal and professional fees		**119**		131
Conference expenses		**16**		67
General office expenses		**15**		26
Provision for doubtful debts (net)				
- Bad debts	**34**		102	
- Provision for bad debts	**241**	**275**	122	224
Miscellaneous expenses (including warranty) (refer note 33		**22**		31
Total		**2,860**		3,138

Note 25- Exceptional items :

Rs. in million

Particulars	For the year ended March 31,2021	For the year ended March 31, 2020
Additional consideration on sale of subsidiary*	**730**	-
Contractual obligation written back **	**188**	-
Impairment of goodwill (refer note 36)	**-**	178
Total	**918**	178

* During the year ended March 31, 2021 the Company has accrued additional consideration in pertaining to sale of TerraPay group (subsidiary), which has been transferred w.e.f March 02, 2020. The Company has recognised this additional consideration based on the completion of requisite milestone as mentioned in the Share purchase agreement entered into with the acquirer. This consideration has been subsequently realised on April 15, 2021.

** During the period year ended March 31, 2021, the Company has derecognised contingent contractual obligation on acquisition of Emagine Holding Pty. Ltd. This consideration was payable based on achievement of certain milestones/ targets which has not been achieved within the earn out period specified in the Share Purchase Agreement. Accordingly, the aforesaid contingent consideration is no more payable.

26. Employee Benefits

a) Defined Contribution Plan

Amounts recognised as an expense in the Statement of Profit and Loss in respect of defined contribution plan is Rs. 256 million (year ended march 31, 2020 : Rs. 282 million).

b) Provident Fund

The company during the year has moved to PF contribution from trust to Regional provident fund commissioner (‘RPFC’) effective from September month contribution. During the year, the company has recognised the provision against expected fall of investment amounting to Rs. 43 million (March 31, 2020: Rs. 76 million) and company is in process of transfer of balance employees provident fund money from PF trust to RPFC.

c) Defined Benefit Plan - Gratuity

i) The Defined Benefit Plan comprises of Gratuity.

ii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

iii) The defined benefit plan is partially funded.

iv) Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

I] Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Present Value of Defined Benefit Obligation as at the beginning of the year	**203**	170
Service Cost	**27**	27
Interest cost	**10**	10
Benefits Paid	**(33)**	(18)
Acquisition (gain)/loss	**-**	-
Actuarial (gain)/loss - experience	**(0)**	9
Actuarial (gain)/loss - demographic assumptions	**-**	(0)
Actuarial (gain)/loss - financial assumptions	**(12)**	5
Present Value of Defined Benefit Obligation as at the end of the year	**195**	203

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Opening fair value of plan assets	**2**	5
Interest income on plan assets	**0**	0
Contributions by employer	**1**	4
Benefits Paid	**-**	(7)
Remeasurement- Return on plan assets excluding amount included in interest income	**(2)**	0
Closing fair value of plan assets as at end of the year	**1**	2

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Net defined benefit Asset/(Liability)

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Net defined benefit asset/(liability) at end of prior period	**(201)**	(165)
Service Cost	**(27)**	(27)
Net interest on net defined benefit liability/(asset)	**(10)**	(10)
Actuarial gain/(loss)	**10**	(14)
Employer contribution	**1**	4
Benefits Paid (Net)	**33**	11
Net defined benefit Asset/(Liability) recognised in Balance Sheet	**(194)**	(201)

IV] Components of employer expenses recognised in the Statement of Profit and Loss:

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Service Cost	**27**	27
Interest cost	**10**	10
Expected return on plan assets	**(0)**	(0)
Total expense recognised in the Statement of Profit & Loss	**37**	37

V] Components of employer expenses recognised in the other comprehensive income:

Particulars	**As at March 31, 2021**	As at March 31, 2020
Actuarial (Gain)/Loss due to DBO experience	**0**	(9)
Actuarial (gain)/loss - demographic assumptions	**-**	0
Actuarial (Gain)/Loss due to financial assumptions	**12**	(5)
Remeasurement- Return on plan assets excluding amount included in interest income	**(2)**	0
Actuarial (Gain)/Loss recognised in OCI	**10**	(14)

VI] Assumptions

Particulars	**As at March 31, 2021**	As at March 31, 2020
Discount Rate	**5.90%**	6.10%
Salary Escalation Rate	**6.00%***	6.50%
Employee Separation Rate	**17.00%**	17.00%

* Salary escalation rate till 30th Jun' 21 has been considered as nil

a) Discount rate : It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the obligation.

b) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) Employee separation Rate: The assumption of Employee separation rate represents the company's expectation of employee turnover.

VII] Sensitivity analysis

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
A: Discount rate		
1. Effect on DBO due to 0.5% increase in discount rate	**(4)**	(4)
2. Effect on DBO due to 0.5% decrease in discount rate	**4**	4
B: Salary Escalation Rate		
1. Effect on DBO due to 0.5% increase in Salary escalation rate	**4**	4
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	**(3)**	(4)
C: Withdrawal Rate		
1. Effect on DBO due to 5% increase in withdrawal rate	**(2)**	(2)
2. Effect on DBO due to 5% decrease in withdrawal rate	**2**	3

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VIII] Expected benefit payments for the period ended (Rs. in million)

1. March 31, 2022	38
2. March 31, 2023	27
3. March 31, 2024	28
4. March 31, 2025	30
5. March 31, 2026	29
6. March 31, 2027 to March 31, 2031	130

IX] Expected employer contributions for the period ended March 31, 2022 (Rs. in million)	-
X] Weighted average duration of defined benefit obligation	5 years
XI] Accrued benefit obligation as at March 31, 2021 (Rs. in million)	141
XII] Vested benefit obligation as at March 31, 2021 (Rs. in million)	159

XIII] Plan asset information:

Particulars	**As at March 31, 2021**	As at March 31, 2020
Schemes of insurance - conventional products	**100%**	100%

XIV] Description of Plan characteristics and associated risks:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

XV] Description of Funding arrangements and policies:

The Gratuity scheme of the company is partially funded by way of a separate irrevocable Trust and the company is expected to make regular contributions to the Trust. The fund is managed internally by the company and assets are invested in insurance funded arrangements.

27 Disclosure as per IND AS 116-Leases

I. The details of the right-of-use asset held by the company is as follows:

Rs. in million

Particulars	**Additions for the year ended March 31, 2021**	Net carrying amount as at March 31, 2021
Right to use of Office premises	**4**	318
Total	**4**	318

II. Amounts recognised in statement of profit and loss:

A. Expense recognised:

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Depreciation	**114**	113
Short-term lease expense	**43**	70
Interest on lease liability	**28**	34
Total	**185**	217

B. Income recognised:

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Income from sub-lease	**36**	21
Total	**36**	21

III. Amounts recognised in statements of cash flows:

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Cash outflow for leases	**117**	123
Total	**117**	123

IV. Maturity analysis for lease liabilities

i) Minimum Lease payments

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
For 1 Year	**105**	133
For 2 To 5 years	**264**	410
Above five year	**-**	13
Total	**369**	556

ii) Present Value of Minimum Lease Payments

Rs. in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
For 1 Year	**82**	112
For 2 To 5 years	**245**	358
Above five year	**-**	13
Total	**327**	483

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019).

Impact of COVID-19

The leases that the company has entered with lessors towards properties used as delivery centres/sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

28. Segment Information

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The group has identified geographic segment as reportable segment.

Geographical information on revenue is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Information on reportable segments for the year ended March 31, 2021 is given below:

Operating Segments:

A) India

B) Rest of World

Rs. in million

Particulars	**For the year ended March 31, 2021**			For the year ended March 31, 2020		
	India	**Rest of the world**	**Total**	India	Rest of the world	Total
Revenue from operations	**1,041**	**7,410**	**8,451**	1,037	7,082	8,119
Total Segmental Revenue	**1,041**	**7,410**	**8,451**	1,037	7,082	8,119
Unallocable Expenses	**-**	**-**	**7,248**	-	-	7,733
Other Income (net)	**-**	**-**	**148**	-	-	209
Exceptional items	**-**	**-**	**918**	-	-	(178)
Profit before tax from continuing operation	**-**	**-**	**2,269**	-	-	417
Tax expense (refer note 42)	**-**	**-**	**547**	-	-	610
Profit after tax for continuing operation	**-**	**-**	**1,722**	-	-	(193)
Profit after tax from discontinued operations (refer note 41)	**-**	**-**	**-**	-	-	590
Depreciation and Amortization Expenses	**-**	**-**	**318**	-	-	331

* Restated (Refer Note 42)

Rs. in million

Statement of Segment Assets and Liabilities	**As at March 31, 2021**	As at March 31, 2020
Segment Assets		
Trade Receivables		
India	**550**	853
Rest of the World	**3,567**	3,866
Total Trade Receivables	**4,117**	4,719
Unallocated Assets	**7,452**	6,389
Total Assets	**12,307**	11,108
Segment Liabilities		
Unallocable Liabilities	**4,968**	5,417
Total Liabilities	**4,968**	5,417

Note:

Segregation of assets (except trade receivables), liabilities and other expenses into various geographic segments has not been done as the assets are used interchangeably between segments and Comviva is of the view that it is not practical to reasonably allocate liabilities and expenses to individual segments and an ad-hoc allocation will not be meaningful.

Information about major Customer:

Total revenue from rest of the world includes Rs. 3,612 million from top three customers (year ended March 31, 2020: Rs. 3,476 million from three customers)

29. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the Related Party	Extent of holding / Relationship
Tech Mahindra Limited	Holding company
Related parties with whom transactions during the year/previous year:	
PT Tech Mahindra Indonesia	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Tech Mahindra Nigeria Limited	Fellow subsidiary
LCC Middle East FZ- LLC	Fellow subsidiary
Tech Mahindra Guatemala, S.A.	Fellow subsidiary
Tech Mahindra Growth Factories Limited (merged with Tech Mahindra Limited)	Fellow subsidiary
Tech Mahindra Healthcare LLC	Fellow subsidiary
Tech Mahindra South Africa (Pty) Limited	Fellow subsidiary
HCI Group	Fellow subsidiary
Bharti Telesoft International Pvt. Ltd. Executive Providend Fund Trust	Post-employment benefit plan (Trust)
Bharti Telesoft Ltd. Employee Group Gratuity Trust	Post-employment benefit plan (Trust)
Key Management Personnel:	
Manoranjan Mohapatra	Chief Executive Officer
Neeraj Jain	Chief Financial Officer

b) Transactions with Related Parties:

Rs. in million

Particulars	Transactions for the year ended March 31, 2021 Revenue/(Expense)						Balance as at March 31, 2021 Assets/(Liabilities)										
	Sales	Interest Expense	Cost of Goods/ Service (received)	Reimbursement of Expenses (Net)	Donation Given	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Trade Payables#	Loans	Other current assets	Prepaid Expenses	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Holding Company																	
Tech Mahindra Limited	220	-	(34)	(41)	-	-	217	29	17	(39)	-	-	2	-	(0)	(4)	-
Fellow Subsidiaries																	
PT Tech Mahindra Indonesia	51	-	-	-	-	-	8	4	4	-	-	-	-	-	-	(8)	-
Tech Mahindra Foundation	-	-	-	-	(14)	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	(3)	-	-	-	-	31	0	-	-	(20)	-	-	(12)	-	(22)	-
Tech Mahindra Guatemala, S.A.	-	-	-	-	-	-	31	-	-	-	-	-	-	-	-	-	-
Tech Mahindra South Africa (Pty) Limited	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HCI Group		-	-	(29)	-	-	-	-	-	(29)	-	-	-	-	-	-	-
Key Management Personnel*																	
Manoranjan Mohapatra	-	-	-	-	-	(30)	-	-	-	-	-	-	-	-	-	-	(17)
Neeraj Jain	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	(3)

Particulars	Transactions for the year ended March 31, 2020 Revenue/(Expense)						Balance As at March 31, 2020 Assets/(Liabilities)										
	Sales	Interest Expense	Cost of Goods/ Service (received)	Reimbursement of Expenses (Net)	Donation Given	Managerial Remuneration	Trade Receivable	Unbilled Revenue	Contract Asset	Trade Payables#	Loans	Other current assets	Prepaid Expenses	Interest Accrued	Deferred Revenue	Advance from Customers	Accrued benefit payable
Holding Company																	
Tech Mahindra Limited	172	-	-	(24)	-	-	257	46	19	(39)	-	-	0	-	(0)	(0)	-
Fellow Subsidiaries																	
PT Tech Mahindra Indonesia	22	-	-	-	-	-	72	9	-	-	-	-	-	-	-	(10)	-
Tech Mahindra Foundation	-	-	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Nigeria Limited	-	(3)	-	-	-	-	32	0	-	-	(22)	-	-	(10)	-	(24)	-
LCC Middle East FZ- LLC	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-
Tech Mahindra Guatemala, S.A.	(34)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tech Mahindra Growth Factories Limited	-	-	(2)	-	-	-	-	-	-	(2)	-	-	1	-	-	-	-
Tech Mahindra South Africa (Pty) Limited	0	-	-	-	-	-	1	6	1	-	-	-	-	-	-	-	-
Tech Mahindra Healthcare LLC	-	-	-	-	-	-	-	1	-	(10)	-	-	-	-	-	-	-
Key Management Personnel*																	
Manoranjan Mohapatra	-	-	-	-	-	(40)	-	-	-	-	-	-	-	-	-	-	(4)
Neeraj Jain	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	-	-	(1)

*The breakup of compensation of Key management personnel is as follows:

Key Management Personnel

Key Management Personnel	**Short-term employee benefits**	**Post-employment benefits****	**Other long-term benefits****	Termination benefits	Total
Manoranjan Mohapatra	**30**	**-**	**-**	-	30
	[40]	**[-]**	**[-]**	[-]	[40]
Neeraj Jain	**11**	**-**	**-**	-	11
	[11]	**[-]**	**[-]**	[-]	[11]

** Employment benefits comprising gratuity, and compensated absences are not disclosed as these are determined for the company as a whole.

Figures in brackets ‘’[ ]” are for year ended March 31, 2020.

Trade payables includes creditors for capital goods.

30 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

Rs. in million

Sr. No.	Particulars	**As at March 31, 2021**	As at March 31, 2020
1	Bank Guarantees	**104**	110
2	Income tax matters (refer note I)	**920**	446
3	Indirect tax matters (refer note II)	**427**	426
4	Other claims against the company not acknowledged as debts (refer note III)	**48**	49

*Corporate Guarantee of USD 27.5 million (Rs.2,080 million) given to the bank for availing credit facility by Comviva Technologies B.V. (100% subsidiary of the company).

Note:

I Income Tax Matter:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation and eligibility of tax incentives or allowances. The Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting 920 million and 446 million as at March 31, 2021 and March 31, 2020 respectively. The Company periodically receives notices and inquiries from income tax authorities related to the Company’s operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution. The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Comviva Technologies Limited include India and African countries. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In African counties, the statute of limitation vary by state.

II Indirect Tax Matter:

The Company has ongoing disputes with tax authorities mainly relating to availment of input tax credit and indirect tax matters. The Company has demands amounting to 427 million and 426 million as at March 31, 2021 and March 31, 2020, respectively from various indirect tax authorities which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

III Other Claims:

Other claims aggregating INR 48 million and INR 49 million as at March 31, 2021 and March 31, 2020, respectively, against the Company have not been acknowledged as debt. The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

(ii) Commitments :

Rs. in million

Sr. No.	Particulars	**As at March 31, 2021**	As at March 31, 2020
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**102**	50

31. Financial Instruments

I] Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2021 were as follows:

Rs. in million

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Assets:				
Cash and cash equivalents (refer note 9)	1,304	-	-	1,304
Other balances with banks (refer note 10)	100	-	-	100
Investment in mutual fund (refer note 7)	-	1,502	-	1,502
Trade receivables (refer note 8)	4,117	-	-	4,117
Other financial assets (refer note 11(i) and 11(ii))	1,587	31	10	1,628
Loan (refer note 12)	154	-	-	154
Total	**7,262**	**1,533**	**10**	**8,805**
Liabilities:				
Trade payables (refer note 18)	1,637	-	-	1,637
Borrowings (refer note 15)	1,425	-	-	1,425
Lease liabilities	327	-	-	327
Other financial liabilities (refer note 19(i) and 19(ii))	634	-	-	634
Total	**4,023**	**-**	**-**	**4,023**

*Fair value of amortised assets is same as carrying value

The carrying value of financial instruments by categories as at March 31, 2020 were as follows:

Rs. in million

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Assets:				
Cash and cash equivalents (refer note 9)	1,223	-	-	1,223
Other balances with banks (refer note 10)	108	-	-	108
Investment in mutual fund (Refer Note 6)	-	503	-	503
Trade receivables (refer note 8)	4,719	-	-	4,719
Other financial assets (refer note 11(i) and 11(ii))	1,066	-	-	1,066
Loan (refer note 12)	159	-	-	159
Total	**7,275**	**503**	**-**	**7,778**
Liabilities:				
Trade payables (refer note 18)	1,802	-	-	1,802
Borrowings (refer note 15)	1,703	-	-	1,703
Lease liabilities	483	-	-	483
Other financial liabilities (refer note 19(i) and 19(ii))	427	194	11	632
Total	**4,415**	**194**	**11**	**4,620**

II] Fair Value Hierarchy

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021:

Rs. in million

Particulars	**Fair value measurement as at end of the reporting period using**			
	As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**
Assets				
Investments in mutual fund	1,502	1,502	-	-
Derivative financial assets	40	-	40	-
Liabilities				
Contingent Contractual Obligation	-	-	-	-
Derivative financial liabilities	-	-	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2020:

Rs. in million

Particulars	**Fair value measurement as at end of the reporting period using**			
	As at March 31, 2020	**Level 1**	**Level 2**	**Level 3**
Assets				
Investments in mutual fund	503	503	-	-
Derivative financial assets	-	-	-	-
Liabilities				
Contingent Contractual Obligation	163	-	-	163
Derivative financial liabilities	43	-	43	-

III] Financial Risk Management

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

The Group revenue is denominated majorly in USD and EUR. The majority of the costs are in Indian rupee. This exposes the Group to currency fluctuation risk. The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. These forward contracts period lies between 1 day to 1 year.

The following are the outstanding USD/EUR : INR currency exchange contracts entered into by the company which have been designated as cash flow hedges:

Currency	Amount outstanding as at March 31, 2021 in foreign currency	Fair value Gain/ (loss) in Rs.	Amount outstanding as at March 31, 2021 in Rs.	No. of Contracts
In USD	17.72 million	36 million	1364 million	12 Contracts
	(March 31, 2020: 13 mn)	(March 31, 2020: (42) mn)	(March 31, 2020: 999 mn)	(March 31, 2020: 9 Contracts)
In Euro	1.24 million	4 million	113 million	4 Contract
	(March 31, 2020: 0.5 mn)	(March 31, 2020: (0.42) mn)	(March 31, 2020: 41 mn)	(March 31, 2020: 1 Contract)

* Fair value loss

Impact of COVID-19

The company basis their assessment believes that the probability of occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The company has also considered the effect of change, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Credit Risk Exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 5,761 million, Rs. 5,739 million million as at March 31, 2021, March 31, 2020 respectively, being the total of the carrying amount of trade receivables, unbilled revenue and other financial assets. In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on. Refer Note 29(i).

Trade receivable

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Group's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Movement in the Expected credit loss allowance:

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Balance at the beginning of the year	**638**	496
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**237**	142
Balance at the end of the year	**875**	638

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

Particulars	**Less Than 1 Year**	**More Than 1 Year**
Borrowings	1,425	-
Trade Payables	1,637	-
Other financial liabilities	706	255

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

Particulars	**Less Than 1 Year**	**More Than 1 Year**
Borrowings	1,703	-
Trade Payables	1,802	-
Other financial liabilities	734	381

iv] Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

Rs. in million

Particulars	Currency	**As at March 31, 2021**		As at March 31, 2020	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables, Unbilled Debtors & Contract Assets	BDT	**20**	**17**	2	2
	CDF	**11**	**0**	74	3
	EUR	**12**	**1,048**	9	727
	GBP	**0**	**7**	0	7
	GHS	**2**	**24**	1	10
	KES	**0**	**0**	4	3
	MGA	**0**	**0**	789	16
	MWK	**49**	**5**	27	3
	RWF	**124**	**9**	153	12
	OMR	**0**	**1**	0	1
	SCR	**0**	**1**	1	5
	QAR	**0**	**2**	0	0
	NGN	**37**	**7**	139	29
	IDR	**3,400**	**17**	1,617	7
	SLL	**167**	**1**	214	2
	AUD	**0**	**9**	0	20
	KWD	**1**	**247**	1	211
	TZS	**(229)**	**(7)**	107	4
	UGX	**1,223**	**24**	262	5
	USD	**38**	**2,774**	36	2,699
	MMK	**643**	**33**	1,150	62
	XAF	**56**	**7**	143	18
	AED	**1**	**29**	-	-
	ZAR	**0**	**0**	-	-
	XOF	**249**	**32**	155	20
	ZMW	**3**	**11**	3	11
Other financial assets	AED	**0**	**0**	0	7
	BDT	**0**	**0**	-	-
	CDF	**37**	**1**	-	-
	EUR	**0**	**21**	0	29
	GBP	**0**	**1**	0	1
	KES	**2**	**2**	4	3
	RWF	**1**	**0**	1	0
	MWK	**11**	**1**	-	-
	SCR	**0**	**0**	-	-
	TZS	**235**	**7**	-	-
	USD	**2**	**116**	2	167
	XAF	**73**	**10**	5	1

Rs. in million

Particulars	Currency	**As at March 31, 2021**		As at March 31, 2020	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Payables and Other financial liabilities	AED	**0**	**7**	0	7
	AUD	**3**	**194**	4	162
	BDT	**1**	**0**	0	0
	CDF	**(129)**	**(5)**	(139)	(6)
	EUR	**1**	**68**	1	97
	GBP	**0**	**2**	0	2
	GHS	**(0)**	**(2)**	0	1
	KES	**2**	**1**	3	2
	KWD	**0**	**80**	0	116
	LKR	**8**	**3**	7	3
	MGA	**(232)**	**(5)**	(157)	(3)
	MWK	**15**	**1**	7	1
	MYR	**(0)**	**(2)**	(0)	(2)
	RWF	**11**	**1**	8	1
	OMR	**0**	**1**	0	1
	SCR	**(0)**	**(0)**	0	0
	SGD	**0**	**6**	0	0
	SLL	**(913)**	**(7)**	(441)	(3)
	QAR	**0**	**0**	0	0
	TZS	**(98)**	**(3)**	(80)	(3)
	IDR	**514**	**3**	678	3
	UGX	**(42)**	**(1)**	(12)	(0)
	USD	**37**	**2,741**	39	2,985
	XAF	**263**	**35**	121	15
	XOF	**122**	**16**	65	8
	ZAR	**1**	**6**	1	6
	ZMW	**-**	**-**	(1)	(3)

Forex sensitivity analysis:

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in increase/decrease in the Group's profit before tax by approximately Rs. 430 million as at March 31, 2021 (Rs. 388 million as at March 31, 2020) for Trade Receivables, Unbilled Debtors & Contract Assets and Rs. 16 million as at March 31, 2021 (Rs. 21 million as at March 31, 2020) for other financial assets.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease/increase in the Group's profit before tax by approximately Rs. 314 million as at March 31, 2021 (Rs. 339 million as at March 31, 2020) for trade payables and Other financial liabilities.

32 Basic and Diluted Earning per share

Rs. in million except earning per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Nominal value per equity share	**10**	10
Profit/(loss) after tax from Continuing Operations	**1,722**	(193)
Profit after tax from Discontinued Operations	**-**	590
Profit for the year attributable to equity shareholders	**1,722**	397
	No. of Shares	No. of Shares
Weighted average number of equity shares	**21,869,000**	21,869,000
Weighted average number of diluted equity shares	**21,869,000**	21,869,000
Earnings per equity share for continuing operations		
(a) Basic (in Rs.)	**78.72**	(8.83)
(b) Diluted (in Rs.)	**78.72**	(8.83)
Earnings per equity share for discontinued operations		
(a) Basic (in Rs.)	**-**	27.00
(b) Diluted (in Rs.)	**-**	27.00
Earnings per equity share for continuing and discontinued operations		
(a) Basic (in Rs.)	**78.72**	18.17
(b) Diluted (in Rs.)	**78.72**	18.17

33 Provision for warranty:

The movement in the said provision is summarized below:

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	10	7
Add: Additional provision made during the year	-	3
Add: Addition on Acquisition	-	-
Less: Provision reversed during the year	(1)	-
Closing balance	**9**	**10**

Note: Provision for warranty is estimated and made based on technical estimates of the management and is expected to be settled over the period of next year.

34 The Group has accounted as an expense of Rs. 16 million for the year ended March 31, 2021(year ended March 31, 2020: Rs. 23 million) pertaining to amortised cost of stock options granted to certain employees of the group granted by Tech Mahindra Limited, its holding company. This cost is being accounted as an employee benefits expense.

35 There are no non-wholly owned subsidiaries that have material non-controlling interests.

36 Allocation of goodwill by segments as at March 31, 2021 and March 31, 2020 is as follows:

Following is the summary of changes in carrying amount of goodwill:

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Balance at the beginning of year	**210**	399
Transfer during the year	**-**	(16)
Effect of foreign currency exchange differences	**14**	6
Impairment recognised during the year	**-**	(178)
Balance at the end of the year	**224**	210

Allocation of goodwill by segments as at March 31, 2021 and March 31, 2020 is as follows:

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020
India	-	-
Rest of World	224	210
Total	**224**	210

Allocation of goodwill to cash-generating units:

In accordance with IND AS 36 “Impairment of Assets” the Group performed impairment testing of Goodwill assigned to each Cash Generating Unit (CGU) as at 31st March, 2021. The recoverable amount of CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a year and over and an applicable discount rate. Goodwill has been allocated for impairment testing purposes to their underlying geographical / segmental classification.

Based on the results of the Goodwill impairment test, the estimated value in use in all CGUs were higher than their respective carrying amount, hence impairment provision recorded during the current year is Nil (31st March, 2020 - INR 178 million). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

Key assumptions used are as follows:

Budgeted Projections: The values assigned to the assumption reflect past experience and are consistent with the management’s plans for focusing operations in these markets. The management believes that the planned market share growth is reasonably achievable.

Price inflation: The values assigned to the key assumption are consistent with external sources of information.

37 Disclosures for revenue from contracts with customers

a) Disaggregation of revenue

Revenue disaggregation by reportable segments is as follows: Rs in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Licence Fee with Implementation and other services	**4,129**	4,134
Revenue sharing arrangements	**1,562**	1,811
Annual maintenance contract services	**1,896**	2,038
Income from sale of equipments and software (third party)	**864**	136
Total	**8,451**	8,119

Revenue disaggregation by geography is as follows:

Rs in million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	**1,041**	1,037
Rest of world	**7,410**	7,082
Total	**8,451**	8,119

b) Significant changes in the contract assets balances during the year ended March 31, 2021

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Opening balance at beginning of year	**371**	380
Add: Revenue recognised during year	**237**	401
Less: Invoiced during year	**(198)**	(359)
Add/Less: Translation loss/(gain)	**(0)**	(3)
Add/Less: Others (please specify)	**(52)**	(48)
Closing balance at end of year	**358**	371

c) Significant changes in the contract liabilities balances during the year ended March 31 2021:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Opening balance at beginning of year	**109**	132
Less: Revenue recognised during the year	**(84)**	(96)
Add: Invoiced during the year but not recognised as revenues	**16**	67
Add/Less: Translation loss/(gain)	**4**	6
Closing balance at end of year	**45**	109

d) The following table provides information in respect of amount of revenue recognised in the statement of profit and loss with the contracted price showing separately each of the adjustments made to the contract price:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Contracted transaction	**8,451**	8,119
Less: Adjustment for volume discount	**-**	-
Less: Adjustment for cash discount	**-**	-
Less: Adjustment for upfront discount	**-**	-
Less: Adjustment for penalties / liquidated damages	**-**	-
Revenue recognized in the statement of profit and loss	**8,451**	8,119

Impact of COVID-19

The Company has evaluated the impact of the pandemic, amongst other matters, resulting from :

(i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, and

(ii) termination or deferment of contracts by customers.

The Company has concluded that the impact of the pandemic is not material based on these estimates.

38 Income Tax Expense

Income tax expense in the statement of profit and loss comprises:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020*
Current tax:		
-Tax expense related to current year	**658**	429
-Tax expense related to earlier year	**-**	122
Total Current tax	**658**	551
Deferred tax	**(111)**	160
Income tax expense recognized in profit or loss	**547**	711
Deferred tax in other comprehensive income	**8**	(8)
Total tax expense recognized in total comprehensive income	**555**	703

* Restated (Refer Note 42)

The tax expense for the period can be reconciled to the accounting profit as follows:

Rs in million

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020*
Profit before tax - Continued operation	**2,269**	418
Profit before tax - discontinued operations	**-**	691
Effective Tax Rate	**24.12%**	64.17%
Enacted tax rate	**25.17%**	25.17%
Income tax expense calculated at Effective Tax Rate	**571**	279
Effect of differential overseas tax rates	**8**	27
Tax effect of losses in subsidiaries	**(32)**	208
Deferred tax on account of write back of deferred tax asset - due to change in tax rates^	**-**	152
Prior period taxes (refer note 42)	**-**	101
Others	**-**	(56)
Income tax expense recognised in profit or loss	**547**	711
Deferred tax in other comprehensive income	**8**	(8)
Income tax expense recognised in profit or loss	**555**	703

Note:

Note: The tax rate used for the above reconciliations are the rates as applicable for the respective periods payable by corporate entities in India on taxable profits under the Indian tax laws.

^During the period ended March 31, 2020 the Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the ended 31st March 2020 and re-measured the balance of net deferred tax assets, basis the rate prescribed in the aforesaid section and recognised the effect of change in the profit and loss account. The remeasurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by Nil (March 31, 2020 INR 152 Mn) which has been fully charged to the profit and Loss account.

39 Deferred Tax:

The following is the analysis of Deferred tax assets presented in the Balance Sheet:

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Deferred tax assets	**560**	484
Deferred tax liabilities	**(21)**	(51)
Deferred tax assets	**539**	433

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Rs in million

Particulars	For the year ended March 31,2021				
	Opening balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Exchange rate difference**	**Closing balance**
Provision for Employee benefits	149	44	(2)		191
Provision for Inventory and Trade receivables	155	55	-	2	212
Carried forward of business losses	59	7	-	1	67
Property, Plant & Equipment and Intangible assets	(54)	36	-	-	(18)
Others	121	(32)	-	-	89
Cash flow hedging reserve	3	-	(5)	-	(2)
Deferred Tax Assets	433	110	(7)	3	539

The following is the analysis of Deferred tax liabilities presented in the Balance Sheet:

Rs. in million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Deferred tax assets	**-**	-
Deferred tax liabilities	**4**	4
Deferred tax liabilities	**4**	4

The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

Rs in million

Particulars	For the year ended March 31,2021				
	Opening Balance	**Recognised in Profit and loss**	**Recognised in OCI**	**Exchange rate difference**	**Closing balance**
Others	4	-	-	-	4
Deferred Tax Liabilities	**4**	**-**	**-**	**-**	**4**

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Rs in million

Particulars	For the year ended March 31,2020				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Closing balance
Provision for Employee benefits	196	(50)	3	-	149
Provision for Inventory and Trade receivables	176	(21)	-	-	155
Carried forward of business losses	59	(0)	-	0	59
Property, Plant & Equipment and Intangible assets	62	(116)	-	-	(54)
MAT credit entitlement	18	(18)	-	-	-
Others	75	45	-	1	121
Cash flow hedging reserve	(2)	-	5	-	3
Deferred Tax Assets	584	(160)	8	1	433

The tax effect of significant timing differences that has resulted in deferred tax liabilities are given below:

Rs in million

Particulars	For the year ended March 31,2020				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Exchange rate difference	Closing balance
Others	12	(8)	-	-	4
Deferred Tax Liabilities	**12**	**(8)**	**-**	**-**	**4**

40 Disclosure for Hyperinflation adjustments as per Ind AS 29:

For the calculation of the hyperinflation adjustment of Subsidiary Company with functional Argentine Peso, the company uses the index calculated by the Argentine Federation of Professional Councils of Economic Sciences resulting from combining the National Consumer Price Index ("CPI") published by the National Institute of Statistics and Censuses of the Argentine Republic ("INDEC") with the IPIM.

Month	Index	Coefficient
Apr-20	**310.124**	1.388
May-20	**314.909**	1.366
Jun-20	**321.974**	1.336
Jul-20	**328.201**	1.311
Aug-20	**337.063**	1.277
Sep-20	**346.621**	1.241
Oct-20	**359.657**	1.196
Nov-20	**371.021**	1.160
Dec-20	**385.883**	1.115
Jan-21	**401.507**	1.072
Feb-21	**415.860**	1.035
Mar-21	**430.295**	1.000

The effect of inflation on the Company's net monetary position in the consolidated income statements for the year ended March 31, 2021 were as follows:

Particulars	Rs. in million
Increase/(Decrease) in Assets	**4**
(Increase)/Decrease in Liabilities	**-**
(Increase)/Decrease in Components of Equity	**(29)**
Net monetary position impact (Income)/Loss	**25**

41 Discontinued Operations

The management during the previous year has decided to sell off two of the subsidiaries, one being an immediate subsidiary and other being a step down subsidiary. (Terra group and Hedonmark Services Pvt Ltd.) The company in it's board meeting held on 26th July 2019, decided to sell of Terra Group (a wholly subsidiary) and took note to sell of Hedonmark Services Pvt Ltd. (a step down subsidiary) on 2nd Jan 2020.

Given below is the analysis of loss from the discontinued operations

The financial performance from these two sold of companies is shown below :

Rs in million

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Revenue from operations	-	236
Other income (net)	-	(1)
Total income	-	235
Expenses		
(a) Employee benefits expense	-	24
(b) Subcontracting cost	-	52
(c) Finance costs	-	7
(d) Depreciation and amortization expense	-	0
(e) Other expenses	-	197
Total expenses	-	280
(Loss) before tax from Discontinued Operations	-	(44)
Tax expenses of Discontinued Operations	-	-
(Loss) after tax from Discontinued Operations	-	(44)

The following assets and liabilities have been reclassified as held for sale in relation to the discontinued operations as at March 31, 2021:

Rs. in million

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
ASSETS		
Non current assets		
(a) Property, plant and equipment	-	0
(b) Capital work-in-progress	-	-
(c) Other intangible assets	-	-
(d) Goodwill on acquisition	-	4
(e) Financial assets	-	
(i) Other financial assets	-	0
(f) Income tax Asset (net)	-	0
(g) Deferred tax assets (net)	-	0
(h) Other non-current assets	-	-
Total non-current assets	-	4

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020
Current assets		
(a) Inventories	-	-
(b) Financial assets	-	
(i) Trade receivables	-	3
(ii) Cash and cash equivalents	-	522
(iii) Other balances with bank	-	
(iv) Other financial assets	-	371
(c) Other current assets	-	18
(d) Assets Classified as held for distribution	-	-
Total current assets	-	914
TOTAL ASSETS	-	918
LIABILITIES		
Non current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	-	-
(b) Provisions	-	-
(c) Other non-current liabilities	-	-
(d) Deferred tax liabilities (net)	-	-
Total non-current liabilities	-	-
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	-	81
(iii) Other financial liabilities	-	743
(b) Other current liabilities	-	157
(c) Provisions	-	(0)
(d) Current tax liabilities (net)	-	5
(e) Liabilities associated with the assets classified as held for distribution	-	-
Total current liabilities	-	986
TOTAL LIABILITIES	-	986

Net cash flow attributable to the operating, investing and financing activities of discontinued operations is presented below:

Rs. in million

Particulars	As at March 31, 2021	As at March 31, 2020
Cash flow from operating activities	-	**322**
Cash flow from investing activities*	-	**685**
Cash flow from financing activities	-	**104**

* Including sale proceed on account of sale of investment

42 Restated Financial Statements:

Restated Consolidated Financial statements for the year ended 31st March, 2020 and as at 1st April, 2019

Consolidated Balance Sheet as at March 31, 2020

Rs. in million

Particulars		Reported Amount as on March 31, 2020	Restatements	Restated amount as on March 31, 2020
I	**ASSETS**			
A	**Non current assets**			
	(a) Property, plant and equipment	**257**		257
	(b) Capital work-in-progress	**18**		18
	(c) Right of use asset	**485**		485
	(d) Other intangible assets	**93**		93
	(e) Goodwill	**210**		210
	(f) Financial assets			
	(i) Other financial assets	**76**		76
	(g) Income tax Asset (net)	**1,314**	(491)	823
	(h) Deferred tax assets (net)	**433**		433
	(i) Other non-current assets	**56**		56
	Total non-current assets	**2,942**	(491)	2,451
B	**Current assets**			
	(a) Inventories	**96**		96
	(b) Financial assets			
	(i) Investments	**503**		503
	(ii) Trade receivables	**4,719**		4,719
	(iii) Cash and cash equivalents	**1,223**		1,223
	(iv) Other balances with bank	**108**		108
	(v) Other financial assets	**990**		990
	(vi) Loans	**159**		159
	(c) Other current assets	**858**		858
	Total current assets	**8,656**	-	8,656
	TOTAL ASSETS	**11,598**	(491)	11,107
II	**EQUITY AND LIABILITIES**			
A	**Equity**			
	(a) Equity share capital	**219**		219
	(b) Other equity	**5,856**	(385)	5,471
	Equity attributable to owners of the company	**6,075**	(385)	5,690
1	**Non current liabilities**			
	(a) Financial liabilities			
	(i) Lease Liabilities	**371**		371
	(ii) Other financial liabilities	**10**		10
	(b) Provisions	**221**		221
	(c) Other non-current liabilities	**20**		20
	(d) Deferred tax liabilities (net)	**4**		4
	Total non-current liabilities	**626**	-	626
2	**Current Liabilities**			
	(a) Financial liabilities			
	(i) Lease Liabilities	**112**		112
	(ii) Borrowings	**1,703**		1,703
	(iii) Trade payables	**1,802**		1,802
	(iv) Other financial liabilities	**622**		622
	(b) Other current liabilities	**415**		415
	(c) Provisions	**109**		109
	(d) Current tax liabilities (net)	**134**	(106)	28
	Total current liabilities	**4,897**	(106)	4,791
	TOTAL EQUITY AND LIABILITIES	**11,598**	(491)	11,107

Restated Consolidated Financial statements for the year ended 31st March, 2020 and as at 1st April, 2019

Consolidated Balance Sheet as at April 1, 2019

Rs. in million

	Particulars	Reported Amount as on March 31, 2019	Restatements	Transition Impact of Ind AS 116*	Restated amount as on April 1, 2019
I	**ASSETS**				
A	**Non current assets**				
	(a) Property, plant and equipment	**254**	-	-	254
	(b) Capital work-in-progress	**21**	-	-	21
	(c) Right of use asset	**-**	-	528	528
	(d) Other intangible assets	**144**	-	-	144
	(e) Goodwill	**399**	-	-	399
	(f) Financial assets		-	-	-
	(i) Other financial assets	**78**	-	(22)	56
	(g) Income tax Asset (net)	**1,137**	(457)	-	680
	(h) Deferred tax assets (net)	**584**	-	-	584
	(i) Other non-current assets	**280**	-	-	280
	Total non-current assets	**2,897**	(457)	506	2,946
B	**Current assets**				
	(a) Inventories	**55**	-	-	55
	(b) Financial assets				
	(i) Investments	**-**	-	-	-
	(ii) Trade receivables	**4,026**	-	-	4,026
	(iii) Cash and cash equivalents	**1,199**	-	-	1,199
	(iv) Other balances with bank	**169**	-	-	169
	(v) Other financial assets	**1,654**	-	-	1,654
	(vi) Loans	**-**	-	-	-
	(c) Other current assets	**758**	-	(40)	718
	Total current assets	**7,861**	-	(40)	7,821
	TOTAL ASSETS	**10,758**	(457)	466	10,767
II	**EQUITY AND LIABILITIES**				
A	**Equity**				
	(a) Equity share capital	**219**	-	-	219
	(b) Other equity	**5,322**	(284)	(33)	5,005
	Equity attributable to owners of the company	**5,541**	(284)	(33)	5,224
1	**Non current liabilities**				
	(a) Financial liabilities				
	(i) Lease Liabilities	**-**	-	349	349
	(ii) Other financial liabilities	**173**	-	-	173
	(b) Provisions	**268**	-	-	268
	(c) Other non-current liabilities	**54**	-	-	54
	(d) Deferred tax liabilities (net)	**12**	-	-	12
	Total non-current liabilities	**507**	-	349	856
2	**Current Liabilities**				
	(a) Financial liabilities				
	(i) Lease Liabilities	**-**	-	154	154
	(ii) Borrowings	**2,073**	-	-	2,073
	(iii) Trade payables	**1,545**	-	-	1,545
	(iv) Other financial liabilities	**387**	-	(5)	382
	(b) Other current liabilities	**427**	-	-	427
	(c) Provisions	**99**	-	-	99
	(d) Current tax liabilities (net)	**179**	(172)	-	7
	Total current liabilities	**4,710**	(172)	149	4,687
	TOTAL EQUITY AND LIABILITIES	**10,758**	(456)	465	10,767

* Refer note 27

Restated Consolidated Financial statements for the year ended 31st March, 2020 and as at 1st April, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

Rs. in million

	Particulars	Reported Amount for the year ended March 31, 2020	Restatements	Restated amount for the year ended March 31, 2020
	CONTINUING OPERATIONS			
I.	Revenue from operations	**8,119**		8,119
II.	Other income	**209**		209
III.	**Total Income (I+II)**	**8,328**		8,328
IV.	**Expenses**			
	(a) Employee benefits expense	**3,357**		3,357
	(b) Subcontracting cost	**790**		790
	(c) Finance costs	**117**		117
	(d) Depreciation and amortization expense	**331**		331
	(e) Other expenses	**3,138**		3,138
	Total expenses	**7,733**		7,733
V.	**Profit before tax from Continuing Operations before exceptional items**	**595**		595
VI.	**Exceptional items :**	**178**		178
VII.	**Profit before tax from Continuing Operations**	**417**		417
VIII.	**Tax expenses:**			
	(a) Current tax	**349**	101	450
	(b) Deferred tax (refer note 41)	**160**		160
		509	101	610
IX.	**Profit /(loss) after tax from Continuing Operations**	**(92)**	(101)	(193)
X.	**DISCONTINUED OPERATIONS**			
	(a) Profit/(Loss) from Discontinued Operations	**691**		691
	(b) Tax from Discontinued Operations	**101**		101
	(c) Profit after tax from Discontinued Operations	**590**		590
XI.	**Profit after tax for the year**	**498**	(101)	397
XII.	**Other comprehensive income**			
A)	(I) Items that will not be reclassified to profit or loss			
	(a) Re-measurement loss on defined benefit plans	**(14)**		(14)
	(II) Income tax relating to items that will not be reclassified to profit or loss	**3**		3
B)	(I) Items that will be reclassified to profit or loss			
	(a) Net movement of effective portion on cash flow hedge	**(17)**		(17)
	(b) Exchange difference in translating the financial statements of foreign operations	**21**		21
	(c) Hyperinflation adjustment in Opening retained Earning	**(6)**		(6)
	(II) Income tax relating to items that will be reclassified to profit or loss	**5**		5
XIII.	**Other comprehensive income for the year**	**(8)**		(8)
XIV.	**Total comprehensive income for the year**	**490**	(101)	389
	Proft/(Loss) for the year attributable to:			
	Owners of the Company	**498**	(101)	397
	Non controlling interests	**-**		-
	Other comprehensive income for the year attributable to:			
	Owners of the Company	**(8)**	-	(8)
	Non controlling interests	**-**		-
	Total comprehensive income for the year attributable to:			
	Owners of the Company	**490**	(101)	389
	Non controlling interests	**-**		-
XV.	**Earnings per equity share for continuing operations**			
	(Face value of Rs. 10/- each)			
	(a) Basic (in Rs.)	**(4.20)**	(4.63)	(8.83)
	(b) Diluted (in Rs.)	**(4.20)**	(4.63)	(8.83)
	Earnings per equity share for discontinued operations			
	(Face value of Rs. 10/- each)			
	(a) Basic (in Rs.)	**27.00**	-	27.00
	(b) Diluted (in Rs.)	**27.00**	-	27.00
	Earnings per equity share for continuing and discontinued operations			
	(Face value of Rs. 10/- each)			
	(a) Basic (in Rs.)	**22.80**	(4.63)	18.17
	(b) Diluted (in Rs.)	**22.80**	(4.63)	18.17

Restated Consolidated Financial Statements for the year ended 31st March, 2020 and as at 1st April, 2019

Reconciliation of total equity as at 31st March 2020 and 1st April 2019

	As At 31st March 2020	As At 1st April 2019
Equity as per reported financial statement		
Equity share capital	219	219
Other equity	5,856	5,322
	6,075	**5,541**
Transition Impact of Ind AS 116		33
Reinstatement impact	385	284
Equity as per restated financial statement	**5,690**	**5,224**

Reconciliation of total comprehensive income for the year ended 31st March 2020

	As At 31st March 2020
Total comprehensive income reported as per reported financial statement	490
Reinstatement impact	101
Total comprehensive income as per reinstated financial statement	**389**

Notes:-

I During the year the management has re-assessed and reconciled its year on year tax position including foreign tax credits available in books against income tax returns and latest tax position have accordingly provided for foreign tax credit in excess of income tax liability for earlier years amounting to INR 385 million (net). The net charge is accounted as a prior period item by reinstating the comparatives in accordance with Indian Accounting standard (IND AS) 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. An amount of INR 284 million (net) has been adjusted to retained earnings as at 1 April 2019 and INR 101 million (net) charged to tax expense in the comparative year ended 31 March 2020

II As required by Ind AS 1 – Presentation of Financial Statements, the group has presented Balance Sheet as at 1st April, 2019 for retrospective application of changes in income tax balances.

III There is no impact on the Cash flows of the company for the year ended 31st March, 2020

42. Additional Information as required by Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in profit or loss				Share in other comprehensive income				Share in total comprehensive income			
	F.Y. 2020-2021		F.Y. 2019-2020*		F.Y. 2020-2021		F.Y. 2019-2020*		F.Y. 2020-2021		F.Y. 2019-2020*		F.Y. 2020-2021		F.Y. 2019-2020*	
	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Profit or Loss	INR Amount (In Million)	As % of consolidated Profit or Loss	INR Amount (In Million)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)
Parent Company																
Comviva Technologies Limited	115%	8,472	123%	7,017	83%	1,433	196%	779	-31%	22	299%	(23)	88%	1,455	194%	756
Subsidiaries:																
Foreign																
Comviva Technologies Nigeria Limited	0%	(16)	-2%	(125)	6%	102	-56%	(224)	0%	-	0%	-	6%	102	-58%	(224)
Comviva Technologies Singapore PTE. Limited	0%	(0)	0%	8	-1%	(9)	-2%	(7)	0%	-	0%	-	-1%	(9)	-2%	(7)
Comviva Technologies FZ-LLC	1%	94	3%	189	-5%	(91)	-16%	(63)	0%	-	0%	-	-5%	(91)	-16%	(63)
Comviva Technologies Netherland BV	-4%	(300)	-8%	(470)	-2%	(33)	-55%	(219)	0%	-	0%	-	-2%	(33)	-56%	(219)
Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	1%	83	1%	52	2%	34	-12%	(46)	0%	-	79%	(6)	2%	34	-13%	(52)
ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao E Exportacao Ltda	0%	11	-1%	(68)	-1%	(23)	-15%	(59)	0%	-	0%	-	-1%	(23)	-15%	(59)
Comviva Technologies (Australia) Pty. Ltd	-2%	(113)	-3%	(160)	16%	273	-20%	(78)	0%	-	0%	-	17%	273	-20%	(78)
Emagine International Pty. Ltd.	4%	311	4%	222	2%	41	-1%	(4)	0%	-	0%	-	2%	41	-1%	(4)
Comviva Technologies Mexico, S. de R.L. de C.V.^^^	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Comviva Technologies Colombia S.A.S	1%	42	0%	20	1%	22	5%	19	0%	-	0%	-	1%	22	5%	19
Comviva Technologies Madagascar Sarlu.	0%	23	0%	20	0%	4	-1%	(2)	0%	-	0%	-	0%	4	-1%	(2)

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in profit or loss				Share in other comprehensive income				Share in total comprehensive income			
	F.Y. 2020-2021		F.Y. 2019-2020*		F.Y. 2020-2021		F.Y. 2019-2020*		F.Y. 2020-2021		F.Y. 2019-2020*		F.Y. 2020-2021		F.Y. 2019-2020*	
	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Net Assets	INR Amount (In Million)	As % of consolidated Profit or Loss	INR Amount (In Million)	As % of consolidated Profit or Loss	INR Amount (In Million)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated other comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)	As % of consolidated total comprehensive income	INR Amount (In Million)
YABX Technologies (Netherlands) BV	0%	(12)	0%	(16)	0%	4	-3%	(11)	0%	-	0%	-	0%	4	-3%	(11)
YABX India Private Limited^^	0%	5	0%	-	-1%	(15)	0%	-	0%	-	0%	-	-1%	(15)	0%	-
Comviva Technologies USA INC.	0%	21	0%	(2)	0%	(6)	0%	(2)	0%	-	0%	-	0%	(6)	0%	(2)
Comviva Technologies Myanmar Limited	1%	53	1%	37	0%	4	9%	37	0%	-	0%	-	0%	4	10%	37
Comviva Technologies COTE D'IVOIRE^^^^	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Adjustments on consolidation	-18%	(1,335)	-18%	(1,034)	-1%	(18)	70%	277	130%	(95)	-278%	21	-7%	(113)	76%	298
Total	100%	7,339	100%	5,690	100%	1,722	100%	397	100%	(73)	100%	(8)	100%	1,649	100%	389
Minority interest in all subsidiaries	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-

*Restated (Refer Note 42)

^^ Incorporated on July 15, 2020

^^^ Liquidated with effect from March 03, 2021

^^^^ Incorporated on February 18, 2020, yet to commence operations.

43 Previous year's figures have been re-classified to conform to this year's classification.

As per our report of even date attached For **B S R & Co. LLP** Chartered Accountants Firm Registration No : 101248W/W-100022	For and on behalf of the Board of Directors of Comviva Technologies Limited		
Deepesh Sharma Partner Membership No.: 505725 New Delhi	**Manish Vyas** Director Florida, USA	**Jagdish Mitra** Director Noida	**Vivek Satish Agarwal** Director Bengaluru
	Sunita Umesh Director Gurugram	**Rajat Mukherjee** Director New Delhi	**Manoranjan Mohapatra** Chief Executive Officer Gurugram
		Neeraj Jain Chief Financial Officer Gurugram	**Parminder Singh Bakshi** Company Secretary Gurugram
Date: 22 April 2021	Date: 22 April 2021		

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

(FY 2020-2021)

(Amount in Rs. Million)

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover*	Profit/ (loss) before taxation*	Provision for taxation*#	Profit/ (loss) after taxation*	Proposed dividend	% of shareholding
1	Comviva Technologies Nigeria Limited	March 23, 2011	-	NGN/0.192839311522796	132	(148)	160	176	-	160	150	48	102	-	100%
2	Comviva Technologies Singapore Pte. Ltd.	September 8, 2011	-	SGD/54.494	31	(31)	52	52	-	8	(9)	-	(9)	-	100%
3	Comviva Technologies FZ-LLC	February 19, 2012	-	AED/20.005	1	93	910	816	-	943	(91)	-	(91)	-	100%
4	Comviva Technologies B.V.	April 30, 2015	-	EUR/86.094	299	(599)	1,970	2,270	654	472	(33)	-	(33)	-	100%
5	Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	January 31, 2016	June 30	ARS/0.798804	80	(18)	209	147	-	276	(0)	(2)	2	-	100%
6	ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao E exportacao LTDA	January 31, 2016	December 31	BRL/12.717048487159	141	(117)	85	61	-	155	(45)	-	(45)	-	100%
7	Comviva Technologies Colombia S.A.S	June 17, 2016	December 31	COP/0.0196842895845069	8	34	84	42	-	150	36	11	25	-	100%
8	Comviva Technologies Madagascar Sarlu.	December 12, 2016	-	MGA/0.0193626435674652	1	22	26	3	-	13	5	1	4	-	100%
9	Comviva Technologies (Australia) Pty. Ltd	August 31, 2017	-	AUD/55.896	1	(114)	753	866	543	-	268	(5)	273	-	100%
10	Comviva Technologies Mexico, S. de R.L. de C.V.^^^	February 09, 2018	-	NA	-	-	-	-	-	-	-	-	-	-	100%
11	Emagine International Pty. Ltd.	September 01,2017	-	AUD/55.896	106	205	438	127	-	220	42	1	41	-	100%
12	Comviva Technologies USA INC.	November 5, 2019	-	USD/73.385	-	21	26	5	-	9	(8)	(2)	(6)		100%
13	Comviva Technologies Myanmar Limited.	December 6, 2019	September 30	MMK/0.0518	14	11	148	123	-	142	16	4	12		100%
14	YABX Technologies (Netherlands) BV	June 04,2018	-	USD/73.385	-	(12)	25	37	-	12	2	(2)	4		100%
15	Comviva Technologies COTE D'IVOIRE^^^^	February 18, 2020	December 31	NA	-	-	-	-	-	-	-	-	-		100%
16	YABX India Private Limited^^	July 15,2020		INR/1	20	(15)	10	5	-	-	(15)	0	(15)		100%

*Converted at the average exchange rate.

** It includes the date of incorporation in case of subsidiary which is incorporated.

The amount also includes impact of deferred taxes.

^^ Incorporated on July 15, 2020

^^^ Liquidated with effect from March 03, 2021

^^^^ Incorporated on February 18, 2020, yet to commence operations.

(FY 2019-2020)

(Amount in Rs. Million)

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover*	Profit/ (loss) before taxation*	Provision for taxation*#	Profit/ (loss) after taxation*	Proposed dividend	% of shareholding
1	Comviva Technologies Nigeria Limited	March 23, 2011	-	NGN/0.209473684210526	143	(269)	137	263	-	175	(199)	25	(224)	-	100%
2	Comviva Technologies Singapore Pte. Ltd.	September 8, 2011	-	SGD/52.886	30	(21)	69	61	-	9	(4)	2	-7	-	100%
3	Comviva Technologies FZ-LLC	February 19, 2012	-	AED/20.525	1	188	952	763	-	941	(63)	-	-63	-	100%
4	Hedonmark {Management Services} Limited^^	November 20, 2014	-	NA	-	-	-	-	-	-	-	-	-	-	0
5	Comviva Technologies B.V.	April 30, 2015	-	EUR/82.66	75	(546)	1,907	2,377	535	199	(219)	-	-219	-	100%
6	Terra Payment Services (Netherlands) B.V.^^^	July 3, 2015	-	NA	-	-	-	-	-	-	-	-	-	-	0
7	Mobex Money Transfer Services Limited^^^	December 16, 2015	December 31	NA	-	-	-	-	-	-	-	-	-	-	0
8	Terra Payment Services (Tanzania) Limited^^^	March 10, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
9	Terra Payment Services (Uganda) Limited^^^	March 11, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
10	Terra Payment Services South Africa (PTY) Ltd.^^^^^	October 30, 2014	-	NA	-	-	-	-	-	-	-	-	-	-	0
11	Terra Payment Services (Mauritius)^^^	January 19, 2017	-	NA	-	-	-	-	-	-	-	-	-	-	0
12	Terra Payment Services (UK) Limited^^^	August 5, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
13	Terra Payment Services Botswana (PTY) Limited^^^	July 13, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
14	Terra Payment Services S.A.R.L. -(Congo B)^^^	June 29, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
15	Terra Payment Services S.A.R.L. -(DRC)^^^	July 5, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
16	Terra Payment Services S.A.R.L. -(Senegal)^^^	June 20, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
17	Comviva Technologies (Argentina) S.A. (formerly, ATS Advanced Technology Solutions S.A.)	January 31, 2016	June 30	ARS/1.168741	82	(20)	185	123	-	349	15	2	13	-	100%
18	ATS Advanced Technology solutions do Brasil Industria,Comercio, importacao E exportacao LTDA	January 31, 2016	December 31	BRL/14.6100195135146	57	(87)	135	164	-	220	(43)	-4	-39	-	100%
19	Comviva Technologies Colombia S.A.S	June 17, 2016	December 31	COP/0.0186770466456894	7	10	29	12	-	110	21	5	16	-	100%
20	Comviva Technologies Madagascar Sarlu.	December 12, 2016	-	MGA/0.0201707121899173	1	19	24	4	-	18	(0)	2	-2	-	100%
21	Terrapay Services (UK) Limited^^	February 24, 2016	-	NA	-	-	-	-	-	-	-	-	-	-	0
22	Comviva Technologies (Australia) Pty. Ltd	August 31, 2017	-	AUD/46.084	0	(161)	619	779	450	-	(78)	-	(78)	-	100%
23	Comviva Technologies Mexico, S. de R.L. de C.V.	February 09, 2018	-	NA	-	-	-	-	-	-	-	-	-	-	100%
24	Emagine International Pty. Ltd.	September 01,2017	-	AUD/46.084	88	135	347	125	-	189	(2)	2	(4)	-	100%

(Amount in Rs. Million)

Sr. No	Name of the subsidiary	The date since when subsidiary was acquired**	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover*	Profit/ (loss) before taxation*	Provision for taxation*#	Profit/ (loss) after taxation*	Proposed dividend	% of shareholding
25	Terra Payment Services (India) Private Limited^^^^	September 01,2017	-	NA	-	-	-	-	-	-	-	-	-	-	0
26	Comviva Technologies USA INC.***	November 5, 2019	-	USD/75.62	-	(2)	13	15	-	-	(2)	-	(2)		100%
27	Comviva Technologies Myanmar Limited.****	December 6, 2019	September 30	MMK/0.054	-	-	-	-	-	-	-	-	-		100%
28	YABX Technologies (Netherlands) BV	June 04,2018	-	USD/75.62	-	(16)	24	40	-	0	(7)	-	-11		100%
29	Comviva Technologies COTE D'IVOIRE*****	18th February, 2020	December 31	NA	-	-	-	-	-	-	-	-	-		100%

*Converted at the average exchange rate.

** It includes the date of incorporation in case of subsidiary which is incorporated.

The amount also includes impact of deferred taxes.

^^ With effect from 2nd January 2020 , company has been sold off.

^^^ With effect from 2nd March 2020, company has been sold off.

^^^^ With effect from 11th December 2019, company has been stricken off.

^^^^^ With effect from 6th March 2020, company has been sold off.

*** Comviva Technologies USA INC.-Incorporated on 5th November, 2019.

**** Comviva Technologies Myanmar Limited-Incorporated on 6th December, 2019.

***** Comviva Technologies COTE D'IVOIRE-Incorporated on 18th February, 2020, Yet to commence operations.

COMVIVA TECHNOLOGIES MADAGASCAR SARLU

Directors
Ganeshmurthy Patil
Anil Kumar Krishnan
Devendra Curpen

Registered No:
RCS Antananarivo 2016 B 01082

Registered Office
Immeuble ARO Ampefiloha Escalier A 4è étage
porte A 402 - Antananarivo 101
Analamanga 101, Antananarivo Renivohitra,
Madagascar

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The Directors submit their report together with the Management Accounts of Comviva Technologies Madagascar Sarlu. (the Company), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Ganeshmurthy Patil

Anil Kumar Krishnan

Devendra Curpen

On behalf of the Board of Directors,

Ganeshmurthy Patil **Director**	**Anil Kumar Krishnan** **Director**	**Devendra Curpen** **Director**

BALANCE SHEET AS AT MARCH 31, 2021

Amount in MGA

Particulars				Note No.	As at March 31, 2021	As at March 31, 2020
I	**Assets**					
A	**Non current assets**					
	(a)	Property, Plant and Equipment		1	1,830,000	4,033,333
	(b)	Income tax assets (net)			10,079,101	42,865,675
	Total non-current assets				**11,909,101**	**46,899,008**
B	**Current Assets**					
	(a)	Financial Assets				
		(i)	Trade receivables	2	0	788,785,056
		(ii)	Cash and cash equivalents	3	1,312,816,202	95,908,258
		(iii)	Others financial assets	4	135,581	261,403,711
	Total current assets				**1,312,951,783**	**1,146,097,025**
	TOTAL ASSETS				**1,324,860,884**	**1,192,996,034**
II	**Equity and Liabilities**					
A	**Equity**					
	(a)	Equity Share capital			64,000,000	64,000,000
	(b)	Other Equity		5	1,104,675,984	923,806,119
					1,168,675,984	**987,806,119**
B	**Liabilities**					
1	**Current Liabilities**					
	(a)	Financial Liabilities				
		(i)	Trade Payables	6	154,609,435	116,704,447
	(b)	Other current liabilities		7	834,043	88,204,283
	(c)	Provisions		8	741,422	281,185
	Total current liabilities				**156,184,900**	**205,189,915**
	TOTAL EQUITY AND LIABILITIES				**1,324,860,884**	**1,192,996,034**
C	**See accompanying notes forming part of the financial statements**			1-12		

For and on behalf of Comviva Technologies Madagascar Sarlu

COMVIVA TECHNOLOGIES MADAGASCAR SARLU

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in MGA

	Particulars	Note No.		For the year ended March 31, 2021		For the year ended March 31, 2020
I.	Revenue from operations	9		687,709,370		918,589,011
II.	Other income	10		8,231,422		-
III.	**Total income (I+II)**			**695,940,792**		**918,589,011**
IV.	**Expenses**					
	(a) Employee benefits expense	11		272,077,639		279,216,097
	(b) Subcontracting cost			-		(9,190,334)
	(c) Depreciation and Amortization expense			2,203,333		1,593,333
	(d) Other expenses	12		187,901,614		191,345,785
	Total expenses			**462,182,586**		**462,964,881**
V.	**Profit/(Loss) before tax**			233,758,206		455,624,130
VI.	**Tax expenses**					
	(a) Current tax		52,888,341		109,771,797	
	(b) Deferred tax		-		-	
				52,888,341		109,771,797
VII.	**Profit/(Loss) after tax**			**180,869,865**		**345,852,333**
VIII.	See accompanying notes forming part of the financial statements	1-12				

For and on behalf of Comviva Technologies Madagascar Sarlu

Note 1 - Other Intangible assets

Amount in MGA

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2020	**Additions during the period**	**Disposals during the period**	**As at March 31, 2021**	**As at 1st April, 2020**	**For the period**	**On disposal for the period**	**As at March 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**
A.Tangible Assets(Computers)										
Computers	6,610,000	-	-	6,610,000	2,576,667	2,203,333	-	4,780,000	1,830,000	4,033,333
Total	**6,610,000**	**-**	**-**	**6,610,000**	**2,576,667**	**2,203,333**	**-**	**4,780,000**	**1,830,000**	**4,033,333**

Note 2 - Trade receivables :

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Unsecured)		
Over Six Months		
- Considered good	(0)	788,785,056
- Considered doubtful	-	-
	(0)	788,785,056
Total	**0**	**788,785,056**

Note 3 - Cash and cash equivalents :

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- In current accounts	1,312,816,202	95,908,258
Total	**1,312,816,202**	**95,908,258**

Note 4 - Other Financial assets :

Current financial assets

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Unbilled Revenue	0	261,268,131
Dues from Inter Entity (Net)	135,581	135,580
Total	**135,581**	**261,403,711**

Note 5 - Other Equity :

Amount in MGA

Particulars	As at March 31, 2021		As at March 31, 2020	
Surplus in the statement of profit and loss				
Opening balance	923,806,119		1,042,328,786	
Add: profit/(loss) for the period/year	180,869,865		345,852,333	
Less: Dividend to holding company	-		464,375,000	
Closing balance		1,104,675,984		923,806,119
Total		**1,104,675,984**		**923,806,119**

Note 6 - Trade payables :

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Expenses payables other than Accrued Salaries and Benefits	140,507,724	104,654,775
Accrued Salaries and Benefits	14,101,711	12,049,672
Total	**154,609,435**	**116,704,447**

Note 7 - Other Current liabilities :

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Unearned revenue	0	-
Statutory remittances	834,043	88,204,283
Total	**834,043**	**88,204,283**

Note 8 -Provisions :

Short-term provisions

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
-Compensated absences	741,422	281,185
	741,422	281,185
Total	**741,422**	**281,185**

Note 9 - Revenue from operations :

Amount in MGA

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Licence Fee with Implementation and other services	687,709,370		918,589,011	
		687,709,369		918,589,011
Income from sale of equipments and software (third party)		-		-
Total		**687,709,370**		**918,589,011**

Note 10 - Other income :

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Exchange gain/loss (net)	434,536	-
Sundry Balances written back	7,796,886	-
Interest income	-	-
Total	**8,231,422**	**-**

Note 11 - Employee benefits expense :

Amount in MGA

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries, wages and bonus	266,884,763	271,848,700
Contribution to provident and other funds	5,192,876	6,791,424
Staff Welfare Expenses	-	575,973
Total	**272,077,639**	**279,216,097**

Note 12 - Operating and other expense:

Amount in MGA

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Exchange loss (net)	-	488,319
Rates and taxes	127,187	4,083,668
Insurance	30,026,034	29,359,427
Communication costs	160,000	-
Legal and professional fees	152,250,969	156,057,048
Miscellaneous expenses	5,337,425	1,357,323
Total	**187,901,614**	**191,345,785**

YABX TECHNOLOGY (NETHERLANDS) BV

Managing Directors:
Sandeep Phadke
Abhijeet Anant Awekar (Resigned on December 31,2020)
Gaurav Satish Godbole

Registered No:
71797882

Registered Office:
Maanplein 20, Building 8,
2516 CK The Hague,
The Netherlands

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The Directors submit their report together with the Management Statements of Yabx Technologies (Netherlands) BV ("The Company"), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Axaya Kansal

Sandeep Phadke

Syed Tanvir Hussain

Abhijeet Anant Awekar

Gaurav Satish Godbole

Mr. Tanvir and Mr. Axaya resigned as Managing Director from the Company with effect from 1st August, 2020 and 15th September, 2020 respectively. Further Mr. Gaurav was appointed as a Managing Director with effect from 23rd September, 2020. Mr. Abhijeet Anant Awekar resigned from company with effect from December 31 2020

On behalf of the Board of Directors,

Gaurav Satish Godbole	**Sandeep Phadke**
Director	**Director**

BALANCE SHEET AS AT MARCH 31, 2021

Amount in USD

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
A	**Non current assets**			
	(a) Intangible assets	3	**71,875**	109,375
	(b) Capital work-in-progress		**-**	-
	(c) Deferred tax assets		**26,111**	
	Total non-current assets		**97,986**	109,375
B	**Current Assets**			
	(a) Inventories		**-**	-
	(b) Financial Assets			
	(i) Trade receivables	4	**108,886**	2,428
	(ii) Cash and cash equivalents	5	**131,782**	209,170
	(c) Other current assets	6	**519**	2,102
	Total current assets		**241,187**	213,700
	TOTAL ASSETS		**339,173**	323,075
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		**-**	-
	(b) Other Equity	7	**(160,398)**	(212,055)
			(160,398)	(212,055)
III	**Liabilities**			
A	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	8	**312,233**	319,421
	Total non-current liabilities		**312,233**	319,421
B	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	9	**80,435**	141,595
	(ii) Others financial liabilities	10	**106,265**	74,114
	(b) Other current liabilities		**638**	-
	Total current liabilities		**187,338**	215,709
	TOTAL EQUITY AND LIABILITIES		**339,173**	323,075
IV	**See accompanying notes forming part of the financial statements**	3-13		

YABX TECHNOLOGY (NETHERLANDS) BV

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in USD

	Particulars	Note No.	**For the year ended March 31, 2021**	For the year ended March 31, 2020
I.	Revenue from operations	11	**219,846**	3,317
II.	Other income	12	**-**	-
III.	**Total income (I+II)**		**219,846**	3,317
IV.	**Expenses**			
	(a) Subcontracting cost		**(69,977)**	96,864
	(b) Depreciation and Amortization expense	3	**132,000**	37,500
	(c) Other expenses	13	**132,277**	18,353
	Total expenses		**194,300**	152,717
V.	**Profit/(Loss) before tax**		**25,546**	(149,400)
VI.	**Tax expenses**			
	(a) Current tax		**-**	-
	(b) Deferred tax		**(26,111)**	-
			(26,111)	-
VII.	**Profit/(Loss) after tax**		**51,657**	(149,400)
VIII.	**See accompanying notes forming part of the financial statements**	3-13		

Note 3 - Other Intangible assets

Amount in USD

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2020	Additions during the period	Disposals during the period	As at March 31, 2021	As at 1st April, 2020	For the period	On disposal for the period	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Intangible Assets (Other than internally generated)										
Computer software	-	94,500	-	94,500	-	94,500	-	94,500	-	-
Intellectual Property Rights	150,000	-	-	150,000	40,625	37,500	-	78,125	71,875	109,375
Total	**150,000**	**94,500**	**-**	**244,500**	**40,625**	**132,000**	**-**	**172,625**	**71,875**	**109,375**

Note 4 - Trade receivables :

Amount in USD

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Unsecured)		
- Considered good	**108,886**	2,428
- Considered doubtful	**-**	-
	108,886	2,428
Less: Provision for doubtful trade receivables	**-**	-
Total	108,886	2,428

Note 5 - Cash and cash equivalents :

Amount in USD

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- In current accounts	**131,782**	209,170
Total	**131,782**	209,170

Note 6 - 0ther current assets

Amount in USD

Particulars	As at March 31, 2021	As at March 31, 2020
Others	**519**	2,102
Total	**519**	2,102

Note 7 - Other Equity :

Amount in USD

Particulars	As at March 31, 2021		As at March 31, 2020	
Surplus in the statement of profit and loss				
Opening balance	**(212,055)**		(62,655)	
Add: profit/(loss) for the period/year	**51,657**		(149,400)	
Closing balance		**(160,398)**		(212,055)
Total		**(160,398)**		(212,055)

Note 8 -Borrowings :

Amount in USD

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
-Loan To/From Intercompany/Associates	**312,233**	319,421
Total	**312,233**	319,421

Note 9 - Trade payables :

		Amount in USD
Particulars	**As at**	
	March 31, 2021	March 31, 2020
Expenses payables other than Accrued Salaries and Benefits	**80,435**	141,595
Total	**80,435**	141,595

Note 10 - Others financial liabilities

		Amount in USD
Particulars	**As at**	
	March 31, 2021	March 31, 2020
Dues from Subsidiary	**106,265**	74,114
Total	**106,265**	74,114

Note 11 - Revenue from operations :

		Amount in USD
	For the year ended March 31, 2021	For the year ended March 31, 20120
Revenue sharing arrangements	**219,846**	3,317.00
Total	**219,846**	3,317.00

Note 12 - Other income :

		Amount in USD
	For the year ended March 31, 2021	For the year ended March 31, 20120
Exchange gain/loss (net)	**-**	-
Total	**-**	-

Note 13 - Operating and other expense:

		Amount in USD
	For the year ended March 31, 2021	For the year ended March 31, 20120
Cost of hardware equipment and other items sold	**6,176**	-
Rates and taxes	**3,132**	-
Legal and professional fees	**6,747**	7,650
Exchange Loss	**17,448**	5,223
Miscellaneous expenses	**98,774**	5,480
Total	**132,277**	18,353

COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

Board of Directors

Directors:

Mr. Manoranjan Mohapatra

Mr. Manish Goenka

Mr. Ayush Keshan

Registered No:

201127764Z

Registered Office:

180B, Bencoolen Street, #12-05,

The Bencoolen, Singapore 189648

DIRECTOR’S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The directors submit their report together with the management statements of Comviva Technologies Singapore Pte. Ltd. (“The Company”), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Mr. Manoranjan Mohapatra

Mr. Manish Goenka

Mr. Ayush Keshan

Share Options

(a) Options to take up unissued shares During the financial year, no option to take up unissued shares of the company was granted.

(b) Options exercised During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company under option.

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Acknowledgments:

Your Directors thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholders for the cooperation and assistance received from them

On behalf of the Board of Directors,.

Manoranjan Mohapatra	**Manish Goenka**	**Ayush Keshan**
Director	**Director**	**Director**

BALANCE SHEET AS AT MARCH 31, 2021

Amount in SGD

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment	3(i)	**34,347**	122,205
	(b) Capital work-in-progress		**(1)**	(1)
	(c) Other Intangible assets	3(ii)	**1,086**	5,428
	(d) Advance Income tax (net)		**-**	60,077
	(e) Deferred tax assets	4	**-**	-
	Total non-current assets		**35,432**	187,709
B	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables	5	**383,166**	598,667
	(ii) Cash and cash equivalents	6	**438,831**	390,916
	(iii) Others financial assets	7	**273**	32,036
	(b) Other current assets	8	**100,045**	90,874
	Total current assets		**922,315**	1,112,493
	TOTAL ASSETS		**957,747**	1,300,202
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital	9	**561,000**	561,000
	(b) Other Equity	10	**(568,477)**	(405,255)
	Equity attributable to equity holders of the Company		**(7,477)**	155,745
III	**Liabilities**			
A	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	11	**550,478**	586,021
	(ii) Trade Payables	12	**117,339**	239,582
	(iii) Others financial liabilities	13	**226,101**	269,792
	(b) Other current liabilities	14	**49,063**	49,062
	(c) Current tax liabilities (Net)		**22,243**	-
	Total current liabilities		**965,224**	1,144,457
	TOTAL EQUITY AND LIABILITIES		**957,747**	1,300,202
IV	**See accompanying notes forming part of the financial statements**	3-18		

For and on behalf of Comviva Technologies Singapore Pte. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in SGD

Particulars		Note No.	**For the year ended March 31, 2021**	For the year ended March 31, 2020
I.	Revenue from operations	15	**146,091**	170,306
II.	Other income	16	**30,428**	11,002
III.	**Total income (I+II)**		**176,519**	181,308
IV.	**Expenses**			
	(a) Employee benefits expense	17	**(10,139)**	10,678
	(b) Subcontracting cost		**33,267**	43,880
	(c) Finance costs		**3,195**	-
	(d) Depreciation and Amortization expense	3	**92,199**	98,376
	(e) Other expenses	18	**221,219**	115,188
	Total expenses		**339,741**	268,123
V.	**Profit/(Loss) before tax**		**(163,222)**	(86,815)
VI.	**Tax expenses**			
	(a) Current tax		**-**	-
	(b) Deferred tax		**-**	(45,761)
			-	(45,761)
VII.	**Profit/(Loss) after tax**		**(163,222)**	(132,576)
VIII.	**See accompanying notes forming part of the financial statements**	3-18		

For and on behalf of Comviva Technologies Singapore Pte. Ltd.

Note 3(i) - Property, Plant and Equipment

Particulars	Gross Block					Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2020	Additions during the year	Disposals during the year	Adjustment	As at March 31, 2021	As at 1st April, 2020	For the year	On disposal for the year	As at March 31, 2021	As at March 31, 2021	As at 1st April 2020
Network systems	40,140	-		-	40,140	30,269	7,896	-	38,166	1,974	9,871
Computers	398,756	-	-	-	398,756	286,421	79,960	-	366,383	32,373	112,334
Total	**438,896**	**-**	**-**	**-**	**438,896**	**316,691**	**87,857**	**-**	**404,549**	**34,347**	**122,205**

Note 3(ii) - Other Intangible assets

Particulars	Gross Block					Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2020	Additions during the year	Disposals during the year	Adjustment	As at March 31, 2021	As at 1st April, 2020	For the year	On disposal for the year	As at March 31, 2021	As at March 31, 2021	As at 1st April 2020
Computer Software	28,685	-	-	-	28,685	23,257	4,343	-	27,599	1,086	5,428
Total	**28,685**	**-**	**-**	**-**	**28,685**	**23,257**	**4,343**	**-**	**27,599**	**1,086**	**5,428**

Note 4 - Deferred tax assets (net) :

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Break up of deferred tax assets		
Nature of timing difference		
- Others	**-**	-
Total	**-**	-

Note 5 - Trade receivables :

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Trade Receivables (Unsecured)		
- Considered good	**383,166**	598,667
Total	**383,166**	598,667

Note 6 - Cash and cash equivalents :

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Balances with banks:		
- In current accounts	**438,831**	390,916
Total	**438,831**	390,916

Note 7 - Other Financial assets :

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Unbilled Revenue (Less alloances for credit loss)	**273**	32,036
Total	**273**	32,036

Note 8 - Other Current Assets :

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Advance to suppliers	**18,192**	-
Inter entity receivable	**81,853**	87,666
- Others		
- Balance with Government authorities	**-**	1,026
Prepaid expenses	**-**	2,182
Total	**100,045**	90,874

Note 9 -Equity Share capital :

Amount in SGD

Particulars	As at			
	31-Mar-21		31-Mar-20	
	Number	**Amount**	Number	Amount in SGD
(a) Authorised :				
Equity shares of SGD 1 each	**561,000**	**561,000**	561,000	561,000
(b) Issued, subscribed and fully paid up :				
Equity shares of SGD 1 each fully paid up	**561,000**	**561,000**	561,000	561,000
Total	**561,000**	**561,000**	561,000	561,000

Note 10 - Other Equity :

Amount in SGD

Particulars	As at			
	31-Mar-21		31-Mar-20	
	Number	**Amount**	Number	Amount in SGD
Surplus in the statement of profit and loss				
Opening balance	**(405,255)**		(272,679)	
Add: profit/(loss) for the period/year	**(163,222)**		(132,576)	
Closing balance		**(568,477)**		(405,255)
Total		**(568,477)**		(405,255)

Note 11 -Borrowings :

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Loan from Head office (Comviva India)	**550,478**	586,021
Total	**550,478**	586,021

Note 12 - Trade payables :

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Expenses payables other than Accrued Salaries and Benefits	**117,338**	228,725
Accrued Salaries and Benefits	**0**	10,857
Total	**117,339**	239,582

Note 13 - Other Financials liabilities:

Amount in SGD

Particulars	As at	
	31-Mar-21	31-Mar-20
Inter Company Receivable /Payable (Net)	**226,101**	238,780
Payables on purchase of property,plant and equipment	**-**	31,012
Total	**226,101**	269,792

Note 14 - Other Current liabilities :

Amount in SGD

Particulars	As at 31-Mar-21	As at 31-Mar-20
Advance from customers	**49,062**	49,062
Total	**49,062**	49,062

Note 15 - Revenue from operations :

Amount in SGD

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue sharing arrangements	**146,091**	170,306
Total	**146,091**	170,306

Note 16 - Other income :

Amount in SGD

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Exchange gain/loss (net)	**30,428**	-
Sundry Balances written back	**-**	11,002
Total	**30,428**	11,002

Note 17 - Employee benefits expense :

Amount in SGD

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	**(10,139)**	10,678
Total	**(10,139)**	10,678

Note 18 - Operating and other expense:

Amount in SGD

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of hardware equipment and other items sold	**20,993**	43,541
Royalty and software charges	**87,473**	13,573
Travelling and conveyance	**26**	(3,299)
Rates and taxes	**84,434**	204
Repairs and maintenance:	**-**	1,641
Advertising and sales promotion	**42**	326
Communication costs	**6**	157
Legal and professional fees	**15,364**	17,757
Credit loss allowance on account receivable (net)	**3,583**	-
Exchange gain/loss (net)	**-**	34,311
Miscellaneous expenses	**9,299**	6,976
Total	**221,219**	115,188

COMVIVA TECHNOLOGIES FZ-LLC

Directors:
Manoranjan Mohapatra
Deshbandhu Rameshkumar Bansal
Ramy Mohamed Abdelhalim Moselhy

Registered No:
20773

Registered Office:
Premises: 1401 & 1408-1409 Floor: 14, PO Box
500583 Building: Al Shatha Tower Dubai,
United Arab Emirates

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The Directors submit their report together with the Audited Financials of Comviva Technologies FZ-LLC ("The Company"), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Manoranjan Mohapatra

Deshbandhu Rameshkumar Bansal

Ramy Mohamed Abdelhalim Moselhy

Auditors

The financial statements have been audited by Kreston Menon Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

On behalf of the Board of Directors,

Manoranjan Mohapatra	**Deshbandhu Rameshkumar Bansal**
Director	**Director**

April 15,2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COMVIVA TECHNOLOGIES FZ-LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Comviva Technologies FZ-LLC, Dubai Internet City, Dubai – U.A.E. ('the Company'), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

We further report that the financial statements comply with the provisions of the Dubai Creative Clusters Private Companies Regulations 2016..

	Girija Palat Kannankai
Dubai	Reg. No : 561
April 15,2021	**Kreston Menon Chartered Accountants**

COMVIVA TECHNOLOGIES FZ-LLC

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Assets	Note	**31.03.2021 AED**	31.03.2020 AED
Non-current assets			
Property and equipment	4	**24,079**	108,902
Right-of-use assets	5	**116,448**	346,335
Loan to related parties	6	**5,441,297**	7,988,703
Total non-current assets		**5,581,824**	8,443,940
Current assets			
Trade and other receivables	7	**33,671,861**	26,670,321
Due from related parties	6	**1,750,530**	1,637,181
Other current financial assets	8	**3,047,119**	2,478,551
Cash and cash equivalents	9	**1,655,402**	7,166,980
Total current assets		**40,124,912**	37,953,033
Total assets		**45,706,736**	46,396,973
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	10	**55,000**	55,000
Statutory reserve	11	**27,500**	27,500
Retained earnings		**4,659,106**	9,145,228
Total shareholder's equity		**4,741,606**	9,227,728
Non-current liabilities			
Provision for employees' end of service benefits	12	**806,184**	720,125
Lease liability	13	**-**	113,110
Total non-current liabilities		**806,184**	833,235
Current liabilities			
Trade and other payables	14	**39,980,382**	35,937,779
Lease liability	13	**178,564**	398,231
Total current liabilities		**40,158,946**	36,336,010
Total liabilities		**40,965,130**	37,169,245
Total shareholder's equity and liabilities		**45,706,736**	46,396,973

The accompanying notes on pages 1032-1046 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1026 -1027.

Authorised for issue by Directors on 15 April 2021.

For Comviva Technologies FZ-LLC

Manoranjan Mohapatra
Director

Deshbandhu Rameshkumar Bansal
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	**31.03.2021 AED**	31.03.2020 AED
Revenue	15	**46,671,703**	48,792,952
Cost of sales	16	**(39,205,158)**	(40,323,927)
Gross profit		**7,466,545**	8,469,025
Other income	17	**242,909**	238,247
Administrative and selling expenses	18	**(12,188,352)**	(11,985,427)
(Loss)/profit from operating activities		**(4,478,898)**	(3,278,155)
Finance costs	19	**(7,224)**	(9,737)
(Loss)/profit for the year		**(4,486,122)**	(3,287,892)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(4,486,122)**	(3,287,892)

The accompanying notes on pages 1032-1046 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1026-1027.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance as at 1 April 2019	55,000	27,500	12,436,654	12,519,154
Adjustment on initial application of IFRS 16	-	-	(3,534)	(3,534)
Adjusted balance at 1 April 2019	**55,000**	**27,500**	**12,433,120**	**12,515,620**
Total comprehensive income for the year	-	-	(3,287,892)	(3,287,892)
Balance as at 31 March 2020	**55,000**	**27,500**	**9,145,228**	**9,227,728**
Total comprehensive income for the year	-	-	(4,486,122)	(4,486,122)
Balance as at 31 March 2021	**55,000**	**27,500**	**4,659,106**	**4,741,606**

The accompanying notes on pages 1032-1046 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1026-1027.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	31.03.2021 AED	31.03.2020 AED
Cash flows from operating activities		
(Loss)/profit for the year	**(4,486,122)**	(3,287,892)
Adjustments for :		
Provision for employees' end of service benefits	**193,575**	258,264
Depreciation on property and equipment	**104,054**	154,532
Depreciation on right-of-use asset	**229,887**	231,735
Inventory written off	**-**	51,648
Interest on loan to related parties	**(242,909)**	(219,367)
Allowance for impairment of trade receivables	**319,366**	374,533
Finance cost	**7,224**	9,737
Operating cash flows before changes in working capital	**(3,874,925)**	(2,426,810)
Decrease in inventories	**-**	551,829
(Increase)/decrease in trade and other receivables	**(7,320,906)**	4,791,697
Decrease/(increase) in due from related parties	**129,560**	(356,944)
Increase in trade and other payables	**4,042,603**	1,191,717
Decrease in due to a related party	**-**	(463,184)
Cash generated from/(used in) operations	**(7,023,668)**	3,288,305
Employees' end of service benefits paid	**(107,516)**	-
Finance cost paid	**(7,224)**	(9,737)
Net cash generated from/(used in) operating activities	**(7,138,408)**	3,278,568
Cash flows from investing activities		
Purchase of property and equipment	**(19,231)**	(103,054)
Loan given to a related party	**-**	(11,446,854)
Loan repaid by a related party	**2,547,406**	6,505,513
Increase in other current financial assets	**(568,568)**	(2,428,551)
Net cash used in investing activities	**1,959,607**	(7,472,946)
Cash flows from financing activities		
Payment of lease liability	**(332,777)**	(70,263)
Net cash used in financing activities	**(332,777)**	(70,263)
Net decrease in cash and cash equivalents	**(5,511,578)**	(4,264,641)
Cash and cash equivalents at beginning of year	**7,166,980**	11,431,621
Cash and cash equivalents at end of year (Note 9)	**1,655,402**	7,166,980

The accompanying notes on pages 1032-1046 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1026-1027

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

Comviva Technologies FZ-LLC ('the Company'), Dubai Internet City, Dubai, United Arab Emirates is a 100% subsidiary of Comviva Technologies Limited, India registered on 19 February 2012 with the Dubai Technology and Media Free Zone Authority, United Arab Emirates as a Free Zone Limited Liability Company. The registered address of the Company is premises - 1401 & 1408-1409, Floor No. 14, Al Shatha Tower, P.O. Box : 500583, Dubai, United Arab Emirates.

Management considers the parent and ultimate controlling party to be Comviva Technologies Limited, India.

The principal activity of the Company is to provide solutions for telecommunication and network.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest Arab Emirates Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards.

2.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted, wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Amendments to IFRS 3: Business Combinations - Amendments to clarify the definition of a Business

Amendments to IAS 1 and IAS 8: Amendments regarding the definition of Material

Amendments to revised Conceptual Framework for Financial Reporting

Amendments to IFRS 9, IAS 39 and IFRS 7: Amendments regarding interest rate benchmark reform

The following Standards, amendments thereto and interpretations have been issued prior 31 March 2021 but have not been applied in these financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

IFRS 17: Insurance Contracts - 1 January 2023

Amendment to IFRS 16 - COVID-19-Related Rent Concessions - 1 June 2020

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16- Interest Rate Benchmark Reform – Phase 2- 1 January 2021

Amendments to IAS 37- Onerous Contracts – Cost of Fulfilling a Contract- 1 January 2022

Amendments to IAS 16- Property, Plant and Equipment: Proceeds before Intended Use – 1 January 2022

Amendments to IFRS 3 - Reference to the Conceptual Framework – 1 January 2022

Annual Improvements to IFRS Standards 2018–2020- 1 January 2022

Amendments to IAS 1- Classification of Liabilities as Current or Non-current - 1 January 2023

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined

2.4 Foreign currencies

(a) Functional and presentation currency

The financial statements are prepared and the items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in U.A.E. Dirhams, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at each reporting date are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.5 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Years
Computers	3
Furniture & fixtures	5
Network system	3
Office equipment	5

The assets' residual values and useful lives are reviewed at each reporting date, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in profit or loss.

2.6 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

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

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

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement day and any initial direct costs.

It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use asset is depreciated over the shorter period of lease term and useful life of the underlying asset. The useful life of the assets are 3 years.

The right-of-use asset is presented as a separate line in the statement of financial position. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value represents the estimate of the selling price in the ordinary course of business, less all estimated costs of marketing and costs necessary to make the sale.

2.8 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVOCI”) – debt investment; fair value through other comprehensive income (“FVOCI”) – equity investment; or fair value through profit or loss (“FVTPL”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the sum of consideration paid and payable is recognised in profit or loss.

2.10 Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model which requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. IFRS 9 requires the Company to record an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The Company has four types of financial assets that are subject to IFRS 9's expected credit loss model:

- Trade and other receivables (excluding contract assets, prepayments and advance to suppliers)
- Cash and cash equivalents
- Other current financial assets, and
- Due from related parties

While the above financial assets are subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial (except trade receivables).

Under IFRS 9, loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instruments.

The Company has applied the standard's simplified approach for trade receivables and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; 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. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

2.13 Provision for employees' end of service benefits

Provision for employees' end of service benefits is made in accordance with the U.A.E. Labour Law, and is based on current remuneration and periods of service at the end of the reporting period.

2.14 Value Added Tax (VAT) payable/receivable

Value added tax (VAT) payable/receivable represents net VAT amount payable to or receivable from the U.A.E. Federal Tax Authority against the value added tax charged to the customers by the Company on its sales and services and the value added tax charged by the suppliers to the Company on its purchases and expenses as per the regulations of Federal Decree Law No. 8 and Cabinet Decision No. 52 of 2017 of United Arab Emirates.

2.15 Revenue recognition

The details of accounting policy in relation to the Company's recognition of revenue from sale of goods and rendering of services are set out below:

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from sale of goods and rendering of services based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

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

The impact of IFRS on the Company's accounting policies is not significant.

Revenue is recognised based on the following specific recognition criteria:

Sale of goods

Revenue (Net of discounts) from sale of goods (comprising of hardware and software) is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods or on final acceptance. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery.

Income from services

Revenue from fixed-price contracts are recognized as per the proportionate-completion method or completed contract method, as applicable provided that no further vendor obligations remain and collection is probable.

Revenue in respect of time-and-material contracts is recognized as and when the related services are rendered. Annual technical services revenue and revenue from fixed-price maintenance contracts are recognized proportionately over the period in which the services are rendered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as contract receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned revenue and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Contracts with multiple performance obligations

Some contracts include multiple deliverables, such as the sale of equipment and related services. However, the installation is simple, could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Company uses input method for recognizing revenue for service revenue.

Significant judgements about:

Timing of satisfaction of performance obligation

In making their judgement, the management considered the detailed criteria for the recognition of revenue set out in IFRS 15. The revenue is recognized when the Company has transferred control of the goods or completed provision of service to the customer.

Transaction price and the amounts allocated to performance obligations

Management estimates the stand-alone selling price at contract inception based on observable prices of the type of equipment likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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 discussed below:

a) Depreciation of property and equipment

Management assigns useful lives and residual values to property and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) Impairment of non-financial assets

Assessments of net recoverable amounts of property and equipment and other non- financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Inventory provisions

The Company reviews the carrying amounts of the inventories at each reporting date and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory and physical damage etc. Based on the assessment, adequate provisions are made.

d) Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks

that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

e) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

f) Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

g) Lease term and useful lives of right-of-use asset

The Company's management determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

4. PROPERTY AND EQUIPMENT

	Computers AED	Furniture & fixtures AED	Network system AED	Office equipment AED	Total AED
Cost					
At 1 April 2019	3,834,183	7,794	57,100	49,689	3,948,766
Additions	100,705	-	-	2,349	103,054
At 31 March 2020	3,934,888	7,794	57,100	52,038	4,051,820
Additions	19,231	-	-	-	19,231
At 31 March 2021	3,954,119	7,794	57,100	52,038	4,071,051
Accumulated depreciation					
At 1 April 2019	3,684,707	4,027	57,100	42,552	3,788,386
Charge for the year (Note 18)	150,593	1,559	-	2,380	154,532
At 31 March 2020	3,835,300	5,586	57,100	44,932	3,942,918
Charge for the year (Note 18)	99,908	1,559	-	2,587	104,054
At 31 March 2021	3,935,208	7,145	57,100	47,519	4,046,972
Carrying amount					
At 31 March 2021	**18,911**	**649**	**-**	**4,519**	**24,079**
At 31 March 2020	99,588	2,208	-	7,106	108,902

5. RIGHT-OF-USE ASSETS

Building	**31.03.2021 AED**	31.03.2020 AED
Cost		
Balance at the beginning of the year	**578,070**	-
Effect of adoption of IFRS 16 as at 1 April 2019	**-**	578,070
Balance at the end of the year	**578,070**	578,070
Accumulated depreciation		
Balance at the beginning of the year	**231,735**	-
Charge for the year (Note 18)	**229,887**	231,735
Balance at the end of the year	**461,622**	231,735
Carrying amount	**116,448**	346,335

6. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the shareholder, key management personnel/directors, fellow subsidiaries, associates, joint ventures and entities which are controlled directly or indirectly by the shareholder or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on terms as agreed by the management.

Management considers the parent and ultimate controlling party to be Comviva Technologies Limited, India.

During the year, the Company entered into the following transactions with related parties:

	31.03.2021 AED	31.03.2020 AED
Comviva Technologies Limited (Parent company)		
Purchases and direct expenses (Note 16)	**9,855,170**	4,430,526
Entities under common ownership and control		
Interest on loan to related parties (Note 17)	**242,909**	219,367
Loan given to a related party	**-**	11,446,854
Loan repaid by a related party	**2,586,429**	6,505,513
Lease payment to related party (Note 13)	**340,001**	80,000

Compensation of key managerial personnel

The key managerial remuneration represents the compensation paid or payable to key management for employee services. The key management includes directors and other members of senior management. The compensation of key management for the year is shown below:

	31.03.2021 AED	31.03.2020 AED
Salaries and allowances	**1,944,213**	876,678
End of service benefits	**73,679**	41,000
	2,017,892	917,678

The compensation for key managerial personnel is included in employee costs (Note 20).

The following balances were outstanding at the end of the reporting period :

Loan to related parties Entities under common ownership and control	31.03.2021 AED	31.03.2020 AED
Comviva Technologies Nigeria Limited	**1,539,620**	1,555,177
Comviva Technologies B.V	**920,056**	2,765,901
Emagine International Pty Ltd	**1,832,881**	1,851,401
YABX Technologies (Netherlands) B.V.	**1,148,740**	1,075,664
Comviva Technologies USA INC.	**-**	740,560
	5,441,297	7,988,703

The Company has given a loan of US$ 420,000 to Comviva Technologies Nigeria Limited on 12 April 2013 which carries an interest rate of LIBOR + 5.5%. .

The Company has given a loan of US$ 400,000 to Comviva Technologies B.V on 30 September 2017 which carries an interest rate of LIBOR + 2%. A loan of US$ 2,000,000 was given on 5 February 2020.

The Company has given a loan of US$ 500,000 to Emagine International Pty Ltd on 27 August 2019 which carries an interest rate of LIBOR + 2%..

The Company has given a loan of EUR 266,000 to YABX Technologies (Netherlands) B.V. on 15 July 2019 which carries an interest rate of LIBOR + 2%..

The Company has given a loan of US$ 300,000 to Comviva Technologies USA INC. on 13 February 2020 which carries an interest rate of LIBOR + 2%.

Due from related parties	31.03.2021 AED	31.03.2020 AED
Parent company		
Comviva Technologies Limited, India	**161,803**	287,038
Entities under common ownership and control		
Comviva Technologies Nigeria Limited	**1,204,383**	1,115,614
Comviva Technologies B.V	**384,344**	234,529
	1,750,530	1,637,181

Following are the balances due from/to related parties

Included in trade and other receivables (Note 7)	**3,419,300**	3,321,012
Included in trade and other payables (Note 14)	**11,866,677**	8,662,413
Lease liability (Note 13)	**178,564**	511,341

7. TRADE AND OTHER RECEIVABLES

	31.03.2021 AED	31.03.2020 AED
Trade receivables	**23,650,712**	21,778,164
Less : Allowance for impairment of trade receivables	**(1,147,643)**	(828,277)
	22,503,069	20,949,887
Contract assets	**9,941,712**	4,072,592
Prepayments	**989,193**	1,240,137
VAT receivable	**104,305**	-
Advance to suppliers	**70,644**	312,146
Refundable deposits	**33,604**	33,944
Advance to employees	**29,334**	61,615
	33,671,861	26,670,321

As at 31 March 2021, trade receivables with a nominal value of AED 1,147,643 (2020 : AED 828,277) were provided for as per the requirement under IFRS 9 expected credit loss model..

Movements in the allowance for impairment of trade receivables are as follows:

	31.03.2021 AED	31.03.2020 AED
Balance at the beginning of the year	**828,277**	453,744
Provision made during the year (Note 18)	**319,366**	374,533
Balance at the end of the year	**1,147,643**	828,277

Trade receivables are non-interest bearing and are generally on 30 days credit terms

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

As at 31 March, the ageing analysis of trade receivables is as follows :

	Current AED	31 to 90 days AED	91 to 180 days AED	181 to 365 days AED	Above 365 days AED	Total AED
2021						
Gross receivables	6,183,626	6,847,443	4,591,717	664,114	5,363,812	23,650,712
Provision %	0.006%	0.007%	0.023%	0.046%	21.355%	6.143%
Provision	(345)	(479)	(1,046)	(307)	(1,145,466)	(1,147,643)
Net receivables	6,183,281	6,846,964	4,590,671	663,807	4,218,346	22,503,069
2020						
Gross receivables	8,892,233	6,510,624	294,499	911,071	5,169,737	21,778,164
Provision %	0.004%	0.005%	0.019%	0.048%	15.999%	3.803%
Provision	(312)	(346)	(55)	(440)	(827,124)	(828,277)
Net receivables	8,891,921	6,510,278	294,444	910,631	4,342,613	20,949,887

Trade receivables include AED 3,419,300 (2020 : AED 3,321,012) receivable from related parties (Note 6).

8. OTHER CURRENT FINANCIAL ASSETS

	31.03.2021 AED	31.03.2020 AED
Margin deposit	**3,047,119**	2,478,551

9. CASH AND CASH EQUIVALENTS

	31.03.2021 AED	31.03.2020 AED
Cash at bank : Current accounts	**1,655,402**	7,166,980

10. SHARE CAPITAL

	31.03.2021 AED	31.03.2020 AED
Authorised, issued and fully paid;		
55 ordinary shares of AED 1,000 each	**55,000**	55,000

11. STATUTORY RESERVE

	31.03.2021 AED	31.03.2020 AED
Balance at the end of the year	**27,500**	27,500

In accordance with the Memorandum and Article of Association, the Company has established a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the issued share capital. This is discontinued since the reserve has accumulated to 50% of the paid up capital. This reserve is not available for distribution except as stipulated by the provisions of Memorandum and Articles of Association.

12. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31.03.2021 AED	31.03.2020 AED
Balance at the beginning of the year	**720,125**	461,861
Provided during the year (Note 20)	**193,575**	258,264
Paid during the year	**(107,516)**	-
Balance at the end of the year	**806,184**	720,125

13. LEASE LIABILITY

	31.03.2021 AED	31.03.2020 AED
Balance at the beginning of the year	**511,341**	-
Effect of adoption of IFRS 16 as at 1 April 2019	**-**	581,604
Interest charged during the year (Note 19)	**7,224**	9,737
Lease payments during the year (Note 6)	**(340,001)**	(80,000)
Balance at the end of the year	**178,564**	511,341
Less: Non-current portion	**-**	(113,110)
Current portion	**178,564**	398,231
Current portion		

14. TRADE AND OTHER PAYABLES

	31.03.2021 AED	31.03.2020 AED
Trade payables	**12,357,108**	8,984,883
Accrued expenses	**26,134,364**	24,201,380
Employee benefits payable	**1,152,250**	1,188,476
Advance from customers	**217,914**	78,853
Contract liability	**118,746**	1,004,408
Value added tax payable	**-**	53,362
Payable for capital expenditure	**-**	426,417
	39,980,382	35,937,779

Trade payables include AED 11,866,677 (2020 : AED 8,662,413) payable to a related party (Note 6).

15. REVENUE

	31.03.2021 AED	31.03.2020 AED
Revenue from :		
Sales of goods - At a point in time	**4,594,971**	607,757
Rendering of services - Over a period of time	**42,076,732**	48,185,195
	46,671,703	48,792,952

16. COST OF SALES

	31.03.2021 AED	31.03.2020 AED
Opening inventories	**-**	238,328
Purchases	**7,827,209**	3,992,034
	7,827,209	4,230,362
Royalty	**22,043,149**	31,111,452
Direct expenses	**9,334,800**	4,930,465
Inventory written off	**-**	51,648
	39,205,158	40,323,927

The above purchases and direct expenses include AED 9,855,170 (2020 : AED 4,430,526) paid to a related party (Note 6).

17. OTHER INCOME

	31.03.2021 AED	31.03.2020 AED
Interest on loan to related parties (Note 6)	**242,909**	219,367
Miscellaneous income	**-**	18,880
	242,909	238,247

18. ADMINISTRATIVE AND SELLING EXPENSES

	31.03.2021 AED	31.03.2020 AED
Employee costs (Note 20)	**9,714,456**	7,657,937
Rates and taxes	**695,912**	1,064,036
Allowance for impairment of trade receivables (Note 7)	**319,366**	374,533
Depreciation on right-of-use asset (Note 5)	**229,887**	231,735
Insurance	**160,356**	164,421
Bank charges	**135,901**	102,907
Freight and forwarding charges	**127,991**	-
Exchange loss	**104,405**	763,700
Recruitment and visa charges	**112,584**	546,735
Depreciation on property and equipment (Note 4)	**104,054**	154,532
Travelling expenses	**102,967**	271,879
Communication	**93,106**	139,913
Legal and professional fees	**90,232**	165,369
Expenses on short term lease	**59,054**	73,767
Advertisement and sale promotion	**49,774**	102,979
Repairs and maintenance	**35,070**	45,988
Other expenses	**53,237**	124,996
	12,188,352	11,985,427

19. FINANCE COSTS

	31.03.2021 AED	31.03.2020 AED
Interest on lease liabilities (Note 14)	**7,224**	9,737

20. EMPLOYEE COSTS

	31.03.2021 AED	31.03.2020 AED
Salaries and allowances	**9,191,635**	7,194,339
End of service benefits (Note 12)	**193,575**	258,264
Other benefits	**329,246**	205,334
	9,714,456	7,657,937

The above employee costs include AED 2,017,892 (2020 : AED 917,678) compensation paid to key managerial personnel (Note 6).

The entire employee costs have been allocated to administrative and selling expenses (Note 19).

21. FINANCIAL INSTRUMENTS

The net carrying amounts of the financial assets and financial liabilities at the end of the reporting period are classified below:

	At amortised cost	
	31.03.2021 AED	31.03.2020 AED
Financial assets		
Trade and other receivables (excluding prepayments, contract receivables and advance to suppliers) (Note 7)	**22,670,312**	21,045,446
Loan to related parties (Note 6)	**5,441,297**	7,988,703
Due from related parties (Note 6)	**1,750,530**	1,637,181
Other current financial assets (Note 8)	**3,047,119**	2,478,551
Cash and cash equivalents (Note 9)	**1,655,402**	7,166,980
	34,564,660	40,316,861

	At amortised cost	
	31.03.2021 AED	31.03.2020 AED
Financial liabilities		
Trade and other payables (excluding advance from customers and contract liability) (Note 14)	**39,643,722**	34,854,518
Lease liability (Note 13)	**178,564**	511,341
	39,822,286	35,365,859

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.9 to the financial statements.

22. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties and related parties, net of cash and cash equivalents.

23. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk : interest rate risk, currency risk and other price risk, such as equity risk and commodity price risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is United Arab Emirates Dirham (AED). The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the loan to related parties.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables and committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

(c) Liquidity risks

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The table below analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay

.

As at 31 March 2021	Less than 1 year AED	Between 1 to 5 years AED	Total AED
Trade and other payables (excluding advance from customers and contract liability) (Note 14)	39,643,722	-	39,643,722
Lease liability (Note 13)	178,564	-	178,564
	39,822,286	-	39,822,286

As at 31 March 2020	Less than 1 year AED	Between 1 to 5 years AED	Total AED
Trade and other payables (excluding advance from customers and contract liability) (Note 14)	34,854,518	-	34,854,518
Due to a related party (Note 13)	398,231	113,110	511,341
	35,252,749	113,110	35,365,859

24. IMPACT OF COVID-19

The outbreak of COVID-19 continues to evolve and therefore, it is challenging to predict the extent and duration of its business and economic impact at this stage. These conditions are considered non-adjusting events as at the reporting date. Considering the unprecedented nature of the crisis, a reliable estimate of its impact on economy in general and business in particular, cannot be made at the date of the authorization of these financial statements. The management is closely monitoring the situation and has prepared action plans to ensure continuity of its business operations. Following the analysis of different possible scenarios, the management has concluded that sufficient reserves are available in respect of the liquidity and also the equity base of the Company to guarantee continuity of its operations at the date of the authorization of these financial statements.

25. FAIR VALUE

The fair value of a particular asset or liability 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 values of the financial assets and liabilities approximate their carrying amounts as reflected in these financial statements.

26. CONTINGENT LIABILITIES

As at the end of the reporting period the following contingent liabilities were outstanding :

	31.03.2021 AED	31.03.2020 AED
Letters of guarantee	**2,876,603**	2,382,037

27. COMPARATIVE FIGURES

The previous year figures have been reclassified and regrouped, wherever necessary, to conform with the current year presentation.

COMVIVA TECHNOLOGIES B.V.

Directors:
Sandeep Phadke
Abhijeet Anant Awekar (Resigned on December 31,2020)
Gaurav Satish Godbole

Registered No:
63223767

Registered Office:
Maanplein 20, Building 8, 2516 CK The Hague,
The Netherlands

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The Directors submit their report together with the Audited Financials of Comviva Technologies B.V. ("The Company"), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Axaya Kansal

Sandeep Phadke

Syed Tanvir Hussain

Abhijeet Anant Awekar

Gaurav Satish Godbole

Mr. Tanvir and Mr. Axaya resigned as Managing Director from the Company with effect from 1st August, 2020 and 15th September, 2020 respectively. Further Mr. Gaurav was appointed as a Managing Director with effect from 23rd September, 2020. Mr.Abhijeet Anant Awekar resigned from the company with effect from December 31,2020

On behalf of the Board of Directors,

Gaurav Satish Godbole	**Sandeep Phadke**
Director	**Director**

INDEPENDENT AUDITORS' REPORT

To the Members of Comviva Technologies B.V.

REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the special purpose financial statements of Comviva Technologies B.V. (the Company), which comprise the balance sheet as at March 31, 2021, and the income statement and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying special purpose financial statements of the Company for the year ended March 31, 2021 are prepared in all material respects, in accordance with the International Financial Reporting Standard (IFRS) as adopted by European Union (EU) and relevant articles of Part 9 of Book 2 of the Dutch Civil Code.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements as prescribed by International Federation of Accountants (IFAC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 19 to the special purpose financial statements which states that the management has made an assessment of the impact of COVID-19 on the company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of this matter.

Other Matter

We have relied on the scanned copies of the supporting documents for the purpose of issuing our opinion.

Our opinion is not modified in respect of above matter.

Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting.

Restriction on Distribution and Use

The financial statements are prepared to assist the Company in complying with the financial reporting provisions of Part 9 Book 2 of Dutch Civil Code. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the use of Board of Directors and current investors of the Company and should not be distributed to or used by any other parties. BDO India LLP shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Material Uncertainty

We draw attention to Note 18 of the Special Purpose Financial Statements which indicates that the company has incurred net loss of Euros 378,735 during the year ended March 31, 2021 and as of date has accumulated losses as on date Euros 3,501,480 which has substantially eroded the net worth of the company. These events or conditions indicate that material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, as stated in the note, the company has received a letter of support from its Holding Company to provide necessary financial & operational support to enable the company to operate as going concern and pay its liabilities as & when they are due. In view of the above, the special purpose financial statements of the company have been prepared on going concern.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements that give a true and fair view in accordance with the International Financial Reporting Standard (IFRS) as adopted by European Union (EU) and relevant articles of Part 9 of Book 2 of the Dutch Civil Code and for such internal control as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special purpose financial statements.

For BDO India LLP

BDO India LLP

Place: Gurugram, India
Date: April 20, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF COMVIVA TECHNOLOGIES B.V.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

- Identify and assess the risks of material misstatement of the special purpose 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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

For BDO India LLP

BDO India LLP

Place: Gurugram, India
Date: April 20, 2021

BALANCE SHEET AS AT MARCH 31, 2021

(All amounts in Euro, unless otherwise stated)

	Particulars	Note no.	**As at March 31, 2021**	As at March 31, 2020
I	**Assets**			
A	**Non current assets**			
	(a) Tangible Assets	3A	**144,834**	208,445
	(b) Capital work-in-progress	3C	**518,260**	213,814
	(c) Intangible assets	3B	**11,975**	1,650
	(d) Financial assets	4-7	**15,822,218**	16,210,655
			16,497,287	16,634,564
B	**Current assets**			
	(a) Inventory			
	(i) Trade receivables	8	**3,672,685**	4,232,829
	(ii) Cash and cash equivalents	9	**579,467**	354,519
	(iii) Other balance with Bank	10	**-**	79,069
	(iv) Other financial assets	11	**2,200,003**	1,765,807
	(b) Other current assets	12	**3,575**	1,393
	Total current assets		**6,455,730**	6,433,617
	TOTAL ASSETS		**22,953,017**	23,068,181
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity share capital	13	**3,479,180**	911,145
	(b) Other Reserves	14	**(1,638,520)**	(1,638,520)
	(c) Retained earnings	14	**(5,342,140)**	(4,963,405)
	Total Equity		**(3,501,480)**	(5,690,780)
B	**Liabilities**			
1	**Non-current Liabilities**		**-**	-
2	**Current liabilities**	15		
	Payable to credit institutions		**16,186,653**	20,126,301
	Trade payables		**9,972,747**	7,834,711
	Group companies		**213,123**	687,018
	Taxes payable and social security contribution payable		**-**	-
	Other payables		**-**	2,755
	Accruals		**81,974**	108,176
	Total current liabilities		**26,454,497**	28,758,961
	TOTAL EQUITY AND LIABILITIES		**22,953,017**	23,068,181
	Summary of Significant Accounting Policies	2		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in Euro, unless otherwise stated)

	Particulars	Note no.	**For the year ended March 31, 2021**	For the year ended March 31, 2020
		16		
I.	Net Revenue		**5,451,375**	2,523,036
II.	Other Operating Income		**105**	469,675
III.	Cost of outsourced work and other external expenses		**(5,378,916)**	(4,444,738)
IV.	**Gross Margin**		**72,564**	(1,452,027)
	Employee Benefit Expenses		**149,024**	192,162
	Amortisation, depreciation and impairment		**106,788**	431,736
	Other Operating expenses			
	Sales Related expense		**35,419**	113,015
	Office related expense		**98,254**	96,622
	General expenses		**479,679**	22,349
	Sum of Expenses		**869,164**	855,884
V.	**Operating Result**		**(796,600)**	(2,307,911)
	Financial Income and expense		**417,865**	(471,415)
VI.	**Result before tax**		**(378,735)**	(2,779,326)
	Income tax expense		**-**	-
VII.	**Result after tax**		**(378,735)**	(2,779,326)
	Summary of Significant Accounting Policies	2		

Note 3 - Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 1st April, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at 1st April, 2020	For the year	On disposal for the year	As at March 31, 2021	As at March 31, 2021
A. Tangible assets									
Computers	294,162	31,184	1,053	324,293	85,889	94,739	1,053	179,575	144,718
Office equipments	280	-	-	280	107	56	-	163	117
Total	**294,442**	**31,184**	**1,053**	**324,573**	**85,996**	**94,795**	**1,053**	**179,738**	**144,835**
B. Intangible assets									
Computer software	2,843	22,318	-	25,161	1,193	11,993	-	13,179	11,982
Sub-Total	**297,285**	**53,502**	**1,053**	**349,734**	**87,189**	**106,788**	**1,053**	**192,917**	**156,817**

C Capital work-in-progress

Particulars	**As at March 31,2021**	As at March 31,2020
- Computers (including integrated softwares)	**518,260**	213,814
	518,260	213,814

Note 4 - Non-current investments :

Particulars	**As at March 31,2021**	As at March 31,2020
Participation in group Companies :		
Comviva Technologies (Argentina) S.A.	**4,922,169**	4,922,169
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)	**2,577,548**	1430132
Investments in Columbia	**118,973**	118,973
Investment in Comviva Technologies (Australia) Pty Ltd	**6,793**	6,793
Total	**7,625,483**	6,478,067
Movement in investments can be broken down as follows :		
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA		
Carrying value April 1, 2020		**1,430,132**
Additions		**1,147,416**
Carrying value March 31, 2021		**2,577,548**

Note 5 - Receivable from group companies :

Particulars	**As at March 31,2021**	As at March 31,2020
ATS Advanced Technologies solution do Brasil LTDA	**-**	1,143,540
ATS Advanced Technologies solution(SA) Argentina	**425,965**	457,416
Comviva Technologies(Australia) Pty. Ltd.	**4,430,031**	4,757,126
Terra Payment services(Netherlands) B.V.	**-**	5,000
YABX Technologies (Netherlands) B.V.	**-**	25,000
Emagine International Pty Ltd.	**1,874,244**	2,012,630
Total	**6,730,240**	8,375,712

Note 6 - Other Receivables :

Particulars	**As at March 31,2021**	As at March 31,2020
Advance Income Tax	**694,112**	584,493
Total	**694,112**	584,493

Note 7 - Deferred tax Assets :

Particulars	**As at March 31,2021**	As at March 31,2020
Deferred Tax Asset Carried Forward	**772,384**	772,384
Total	**772,384**	772,384

Note: Company has created Deffered Tax Asset only to the extent of reasonable certainty of reversal of the same based on the business plan.

Note 8 - Trade receivables :

Particulars	**As at March 31,2021**	As at March 31,2020
Trade receivables,gross	**3,746,529**	4,383,087
Less: Provision bad debts	**(37,306)**	(13,409)
	3,709,222	4,369,678
Less: Unapplied Receipts	**(36,537)**	(136,849)
Total	**3,672,685**	4,232,829

Note 9 - Cash and cash equivalents :

Particulars	As at March 31,2021	As at March 31,2020
Balances with banks:		
- Cheques	-	-
- In current accounts	579,467	354,519
Total	579,467	354,519

Note 10 - Other Balance with bank :

Particulars	As at March 31,2021	As at March 31,2020
Earmarked balances with bank		
-Margin Money	-	79,069
Total	-	79,069

Note 11 - Others financial assets :

Particulars	As at March 31,2021	As at March 31,2020
Unbilled receivables	1,141,812	728,693
Dues from subsidiary companies	878,253	722,812
Tax receivables	56,902	60,831
Prepaid Expenses	123,036	253,471
Total	2,200,003	1,765,807

Note 12 - Other Current Assets :

Particulars	As at March 31,2021	As at March 31,2020
Advance to suppliers		
- Considered good	3,575	93
Loans and advances to employees	-	1,300
Total	3,575	1,393

Movements in Financial Assets can be broken down as:

Particulars	Participation in group companies	Receivables from group companies	Deferred tax assets	Other receivables	Total
Carrying value April 1,2020	6,478,067	8,375,712	772,384	584,493	16,210,656
Movement in FY 20-21					
- Additions	1,147,416	-	-	109,619	1,257,035
- Deletion	-	(1,645,472)	-	-	(1,645,472)
	7,625,483	6,730,240	772,384	694,112	15,822,219
Carrying value March 31,2021	7,625,483	6,730,240	772,384	694,112	15,822,219

Overview of Participating interest:

Comviva Technologies B.V. has direct interest in following :

Name of Entity	% share capital	Additional information
Comviva Technologies (Argentina) S.A.	99.96%	Recognised at cost
Comviva Technologies Do Brasil Indústria, Comércio, Importação E Exportação LTDA (Formerly known as ATS Advanced Technology Solutions Do Brasil Industria, Comercio, Importacao E Exportacao LTDA)	99.96%	Recognised at cost
Comviva Technology Columbia S.A.S	100	Recognised at cost
Comviva Technologies (Australia) Pty Ltd	100	Recognised at cost

Note 13 - Equity share capital :

Particulars	**As at March 31, 2021**		As at March 31, 2020	
	Number	**Amount in Euro**	Number	Amount in Euro
(a) Authorised :				
Equity shares of Euro 1 each	**3,479,180**	**3,479,180**	911,145	911,145
(b) Issued, subscribed and fully paid up :				
Equity shares of Euro 1 each fully paid up (Refer note 18)	**3,479,180**	**3,479,180**	911,145	911,145
Total	**3,479,180**	**3,479,180**	911,145	911,145

Note 14 - Reserves and surplus :

Particulars	**As at March 31, 2021**		As at March 31, 2020	
Share Capital				
Opening balance	**911,145**	**-**	10,001	-
Add: Increase in capital	**2,568,035**	**-**	901,144	-
Closing balance	**-**	**3,479,180**	-	911,145
Retained earnings				
Opening balance	**(4,963,405)**	**-**	(2,184,079)	-
Add: loss for the year	**(378,735)**	**-**	(2,779,326)	-
Result Distribution	**-**	**(5,342,140)**	-	(4,963,405)
Other Reserves				
Opening Balance	**(1,638,520)**	**-**	(1,638,520)	-
Result Distribution	**-**	**(1,638,520)**	-	(1,638,520)
Total		**(6,980,660)**		(6,601,925)

Share Capital

The issued share capital of Comviva Technologies B.V. amounts to EUR 34,79,180, divided into 34,79,180 ordinary shares of par value EUR 1 each.

Note 16 - Current Liabilities:

Particulars	**As at March 31,2021**	As at March 31,2020
Payable to Credit Institutions		
Bank of America	**16,186,653**	20,126,301
Trade Payables		
Trade Creditors	**9,924,968**	7,792,160
Salaries and Benefits	**47,779**	42,550
	9,972,747	7,834,710

Particulars	As at March 31,2021	As at March 31,2020
Group companies	**213,123**	687,018
Taxes payable and social security contribution payable		
Wage tax and social security	**-**	-
Other payables	**-**	2,755
Accruals		
Unearned Revenue	**11,740**	41,544
Interest	**31,467**	16,067
Personal cost	**-**	-
Advance from customers	**38,767**	50,564
	81,974	108,175
	26,454,497	28,758,959

Disclosure

Loan group company:

The calculated interest is LIBOR + 2%

No redemption date has been agreed

Pledges and collateral

The borrowing of Bank of America are secured by the corporate guarantee from the holding company, Comviva Technologies Ltd.

Guarantee

The borrowings are secured by the corporate guarantee from the Holding company,Comviva Technologies Ltd.

Note 17 - Note to Income statement :

Revenue and Gross Margin	**For the year ending March 31, 2021**	For the year ending March 31, 2020
Net Revenue	**5,451,375**	2,523,036
Other Operating income	**105**	469,675
Operating Income	**5,451,480**	2,992,711
Cost of Outsourced work and other external expenses	**5,378,916**	4,444,738
Gross Margin	**72,564**	(1,452,027)

Employee benefit	**For the year ending March 31, 2021**	For the year ending March 31, 2020
Wages and salaries	**143,134**	181,518
Social Security Contribution	**5,890**	10,644
Other Employee Benefit	**-**	-
Total	**149,024**	192,162

Amortisation, Depreciation and Impairment	**For the year ending March 31, 2021**	For the year ending March 31, 2020
Amortisation of Tangible assets	**94,795**	52,504
Amortisation of Intangible assets	**11,993**	379,232
Total	**106,788**	431,736

Other operating Expenses	For the year ending March 31, 2021	For the year ending March 31, 2020
Sales Related Expense	**35,419**	113,015
Office related expense	**98,254**	96,622
General expense	**479,679**	22,349
Total	**613,352**	231,986

Financial Income and expenses	For the year ending March 31, 2021	For the year ending March 31, 2020
Interest income from group companies	**189,020**	346,886
Interest income from other parties	**2,160**	-
Interest expense from group companies	**(15,432)**	(21,967)
Interest expense - Credit institutions	**(310,604)**	(673,864)
Foreign currency exchange difference	**552,721**	(122,470)
Total	**417,865**	(471,415)

Taxation	For the year ending March 31, 2021	For the year ending March 31, 2020
Income tax expense from current financial year		
Current tax	**-**	-
Deferred tax	**-**	-
Total	**-**	-

Note 17 - Other Notes :

Employees

The average number of employees during the year, converted to full-time equivalents, was as follows:

Average number of employees during the period	2019/20	2018/19
Active within the Netherlands	**1**	1

Note 18

The Company has incurred a net loss of Euros 378,735 during the year ended March 31, 2021 and as of that date has accumulated losses of Euros 3,501,480 which has substantially eroded the net worth of the Company. These events or conditions indicate that material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. The Holding Company i.e. Comviva Technologies Limited has agreed to provide continuing financial support, if necessary, to the Company to meet its obligations as and when they become due. This enables Company to operate as a going concern and pay its liabilities as and when they are due. Based on the above, the special purpose financial statements have been prepared on going concern basis and no adjustments are made to the carrying value of assets and liabilities.

Note 19

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. This pandemic is creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

PROFIT APPROPRIATION

Proposed appropriation of the results

The board of directors proposes, with the approval of the supervisory board, that the result for the financial year 2020/2021 amounting to € (3,78,735) should be transferred to reserves without payment of dividend.

Signature

Name	Function	Signature
Sandeep Phadke	Managing Director	
Gaurav Satish Godbole	Managing Director	

1. GENERAL NOTES

Most important activities

The activities of Comviva Technologies B.V., having its legal seat at Amsterdam mainly consist of writing, producing, publishing of software and providing business support services.

Location actual activities

Comviva Technologies B.V. is located in Amsterdam and is registered at the chamber of commerce under number 63223767. The actual address is Maanplein 7 at ‘s Gravenhage.

Group structure

The Company forms part of the Mahindra Comviva Group of companies. The immediate parent company is Comviva Technologies Limited (CTL), India. The Company is ultimately owned by Tech Mahindra Ltd, India.

Exemption from consolidation

Because Comviva Technologies B.V. can also be classified as small after consolidation, consolidation has been dispensed pursuant to art. 407, sub 2, under a of book 2 of the Dutch Civil Code (‘Burgerlijk Wetboek’). The Company also avails itself of the facility of article 408, Book 2 of the Dutch Cicil Code. The annual accounts of the company and its subsidiaries are consolidated into the annual accounts of Comviva Technologies Limited India. Copies of the consolidated accounts are available at the Trade Register of the Chamber of commerce in Amsterdam. The consolidated accounts will be filed together with the final statements of the Company.

Going concern

The equity of Comviva Technologies B.V. amounts to € (3,501,480) as at March 31, 2021. It is financed in full with current liabilities, including current account funds provided by group entities and loans provided by banks. However company has obtained support letter from Holding Company – Comviva Technologies Limited - which confirms to provide Financial and Operating support to Comviva Technologies B. V. as the company requires for its continued operations for a period of not less than one year from the date of the financial statements of the Company for current year i.e. March 31, 2021 which includes continuous support to step down subsidiaries including but not limited to support in their operating expense/repayment of group balance and loss arising from impairment of the investments in subsidiaries, if any.

On the basis of support letter financial statements has been prepared on going concern basis.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Comviva Technologies B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

2. ACCOUNTING POLICIES

GENERAL

General policies

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board (‘Raad voor de Jaarverslaggeving’).

Accounting policies for the valuation of assets and equity and liabilities

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Accounting policies for the income statement

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Foreign currency translation

Items included in the financial statements of Comviva Technologies B.V. are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency of Comviva Technologies B.V.

Financial instruments

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

ACCOUNTING POLICIES FOR ASSETS

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash generating unit to which the asset belongs) is higher than its realisable value.

Tangible assets

Land and buildings are valued at historical cost plus additional costs or production cost less straight line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section. Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Financial assets

Due to the international structure of the group and the use of the consolidation exemption of Article 408, Book 2 of the Dutch Civil Code, participations are recognised at costs. If an asset qualifies as impaired, it is measured at its impaired value; any write offs are disclosed in the income statement. Receivables are valued at fair value and then valued at amortised cost, which equals the face value. The receivables of group companies are included in financial fixed assets, except for maturities less than 12 months after balance sheet date. They are then included in the current assets.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

ACCOUNTING POLICIES FOR EQUITY AND LIABILITIES

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

ACCOUNTING POLICIES FOR THE INCOME STATEMENT

Net revenue

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

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered, revenue against these services recognised over the period of time using proportionate method for measuring performance obligation.

Revenue from the sale of distinct third party hardware is recognised at the point in time when risk and rewards is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

Amortisation, depreciation and impairment

Intangible assets, including goodwill, are amortised and tangible fixed assets are depreciated over their estimated useful lives as from the moment that they are ready for use. Land and investment property are not depreciated.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

COMVIVA TECHNOLOGIES DO BRASIL INDÚSTRIA, COMÉRCIO, IMPORTAÇÃO E EXPORTAÇÃO LTDA

Directors:
Anil Murlidar Joshi
Alexandre de Castro

Registered No:
01.808.076/0001-00

Registered Office:
Alameda Santos, 2441 - 2o andar,
Bairro Cerqueira Cesar, CEP 01.419-002,
na Cidade e Estado Sao Paulo

DIRECTOR’S REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2020

The Directors submit their report together with the Audited Financials of Comviva Technologies do Brasil Indústria, Comércio, Importação e Exportação Ltda (“The Company”), for the year ended 31st December, 2020.

Principal Activity

The principal activities are providing information technology services and telecommunication solutions.

Review of Business

The results for the year are set out on page herein of the financial statements.

Directors

The following Directors served during the year:

1. Anil Murlidar Joshi
2. Alexandre de Castro

On behalf of the Board of Directors,

Anil Murlidar Joshi	**Alexandre de Castro**
Director	**Director**

INDEPENDENT AUDITORS' REPORT

(Free translation from the original issued in Portuguese. In the event of discrepancy, the Portuguese language version prevails. See Note 22 to the financial statements)

To:

Management and Shareholders of

Comviva Technologido Brasil Indústria, Comércio, Importação e Exportação Ltda.

São Paulo - SP

Opinion

We have audited the financial statements of Comviva Technologies do Brasil Indústria, Comércio, Importação e Exportação Ltda., which comprise the balance sheet as of December 31st 2020 and the related income statements, changes in net equity and cash flow for the year then ended, as well as the corresponding explanatory notes, including a summary of the main accounting policies.

In our opinion, the financial statements referred above present fairly, in all material aspects, the equity and financial position of Comviva Technologies do Brasil Indústria, Comércio, Importação e Exportação Ltda. as of December 31st, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards- IFRS as issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

Basis for opinion Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Responsibilities of the Auditor for the Audit of Financial Statements." We are independent in relation to the Company, in accordance with the relevant ethical principles set forth in the Code of Ethics for Professional Accountants and in the professional norms issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these norms. We believe that the audit evidence we have obtained is sufficient and appropriate to substantiate our opinion.

Relevant uncertainty related to the Company's operational continuity.

We call attention to Note 1 to the financial statements, which indicates that the Company incurred a loss in the year R$ 3,289 thousands (R$ 2,233 thousands in 2020) and on that date the accumulated loss amounted to R$ 9,258 thousands (5,969 thousands in 2020). The settlement of its short-term liabilities as well as the reversal of the net worth scenario depends on the result of the measures adopted by management to improve the performance of its operations. The financial statements were prepared on the assumption of normal continuity of operations, which presuppose the realization and recovery of assets, as well as the settlement of obligations in the normal course of the Company's business, and do not include any adjustments that would be required in the presentation of its assets and liabilities, in the event of failure of the measures adopted to restore their financial balance. Our opinion is not qualified due to this matter.

Management and governance responsibilities of the financial statements

Management is responsible for the preparation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to Small and Medium Enterprises – SMEs – and for the internal controls that it has determined to be necessary to enable the preparation of financial statements free from material misstatement, whether caused by fraud or error.

In the preparation of financial statements, management is responsible for evaluating the Company's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless Management intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid closing the operations.

Those responsible for the governance of the Company are those responsible for supervising the process of preparing the financial statements.

Responsibilities of the Auditor for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable safety is a high level of safety, but not a guarantee that the audit conducted in accordance with Brazilian and international auditing standards always detect any relevant distortions. Distortions may be caused due to fraud or error and are considered relevant when, individually or together, they can influence, from a reasonable perspective, the economic decisions of users taken on the basis of said financial statements.

As part of the audit performed, in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Besides that:

- We identify and evaluate the risks of material misstatement in the financial statements, whether caused by fraud or error; we plan and perform audit procedures in response to such risks, and we obtain audit evidence appropriate and sufficient to substantiate our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that of error, since fraud may involve the act of circumventing internal controls, collusion, forgery, omission, or false intentional representations.
- We obtain an understanding of the internal controls relevant to the audit to plan appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the

  accounting estimates and respective disclosures made by management.
- We conclude on the adequacy of management's use of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may raise significant doubt regarding the capacity for operational continuity from the company. If we conclude that there is material uncertainty, we should draw attention in our audit report to the respective disclosures in the financial statements or include any change in our opinion if the disclosures are inadequate. Our findings are based on audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer remain in operational continuity.
- 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.
- We communicate with those responsible for governance regarding, inter alia, the planned scope,

  timing of the audit and significant audit findings, including any significant weaknesses in internal controls that we have identified during our work.

São Paulo, April 05, 2021.

Valdomiro Silva Bento Junior

Accountant CRC 1SP-238.249/O-9

RSM Brasil Auditores Independentes – Sociedade Simples

CRC 2SP-030.002/O-7

BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Brazilian Reais)

ASSETS

Current	**Notes**	**2020**	2019
Cash and cash equivalents	3	**369**	638
Trade accounts receivable	4	**4,962**	6,624
Inventories	5	**616**	606
Recoverable taxes	6	**461**	615
Other receivables	-	**53**	150
Total current		**6,461**	8,633
Non-current assets			
Long-term assets			
Other receivables	7	**109**	421
Fixed assets, net	8	**99**	146
Intangible assets, net	8	**10**	20
Total non-current assets		**218**	587
Total assets		**6,679**	9,220

The accompanying notes are an integral part of these financial statements.

BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Brazilian Reais)

LIABILITY AND SHAREHOLDER’S NEGATIVE EQUITY

	Notes	2020	2019
Current liabilities			
Loans and financing	-	**1**	-
Trade accounts payable	9	**2,245**	1,584
Labor and tax liabilities	10	**1,036**	1,442
Other accounts payable	-	**180**	115
Provision for expenses	-	**27**	47
Provision of services	-	**49**	63
Customer guarantee	-	**557**	1,252
Provisions for contingencies	11	**46**	607
Provisions for gratuities payable	-	**419**	-
Total current liabilities		**4,560**	5,110
Non-current liabilities			
Related-party transactions	12	**-**	5,405
Customer guarantee	-	**215**	742
Total non-current liabilities		**215**	6,147
Shareholder’s negative equity			
Capital stock	13	**11,162**	3,932
Accumulated losses	-	**(9,258)**	(5,970)
		1,904	(2,038)
Total liabilities and shareholders’ equity		**6,679**	9,220

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Brazilian Reais)

	Notes	**2020**	2019
Net revenue from sales and services	14	**11,248**	12,740
Cost of services rendered and goods sold	15	**(7,000)**	(7,767)
Gross profit		**4,248**	4,973
Operating revenues/ (expenses):			
Administrative, selling and general	16	**(5,324)**	(6,763)
Other operating revenues/ (expenses)	-	**17**	38
Operating losses before financial results		**(1,059)**	(1,752)
Financial revenues	17	**634**	2,057
Financial expenses	17	**(2,864)**	(2,766)
Financial income (loss)		**(2,230)**	(709)
Loss before income and social contribution taxes		**(3,289)**	(2,461)
Income and Social Contribution Taxes	-	**-**	288
Loss for the year		**(3,289)**	(2,233)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Brazilian Reais)

	Notes	Capital stock	Accumulatedlosses	Total
Balances as of December 31, 2018		**100**	**(3,736)**	**(3,636)**
Loss for the year	-	-	(2,233)	(2,233)
Capital increase		3,832	-	3,832
Balances as of December 31, 2019		**3,932**	**(5,969)**	**(2,037)**
Loss for the year		-	(3,289)	(3,289)
Capital increase	-	7,230	-	7,230
Balances as of December 31, 2020		**11,162**	**(9,258)**	**1,904**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Brazilian Reais)

	2020	2019
From operating activities		
Losses before income taxes	**(3,289)**	(2,461)
Adjustments to reconcile income (loss) to cash and cash equivalents generated by operating activities:		
Depreciation and amortization	**68**	66
Decrease/ (increase) in assets		
Trade accounts receivable	**1,662**	17,454
Inventories	**(10)**	20
Recoverable taxes	**154**	(121)
Other receivables	**409**	194
(Decrease)/ increase in liabilities		
Trade accounts payable	**661**	(9,444)
Labor and tax liabilities	**(406)**	(3,100)
Other accounts payable	**65**	(161)
Provisions for contingencies	**(561)**	242
Provision for expenses	**(20)**	21
Provision of services	**(14)**	(357)
Customer guarantee	**(1,222)**	1,524
	419	(21)
Net cash (used in) / from operations	**(2,084)**	3,857
Income and Social Contribution Taxes	**-**	228
Net cash provided by (used in) operating activities	**(2,084)**	4,085
Cash flows from investing activities		
Acquisition of fixed assets	**(11)**	(51)
Net cash used in investing activities	**(11)**	(51)
Cash flows from financing activities		
Raising/(payments) of loans, net	**1**	(1,049)
Net cash provided by (used in) financing activities	**1**	(1,049)
Cash flow from financing activities with shareholders		
Related-party transactions	**(5,405)**	(6,199)
Capital increase	**7,230**	3,832
Net cash provided by (used in) financing activities with shareholders	**1,825**	(2,367)
Increase (decrease) in cash and cash equivalents, net	**(269)**	618
Cash and cash equivalents		
At beginning of year	**638**	20
At end of year	**369**	638
Increase (decrease) in cash and cash equivalents, net	**(269)**	618

The accompanying notes are an integral part of these financial statements.

1. The Company information

The Company located at Alameda Santos nº 2441, 2º andar – Cerqueira Cesar is engaged in assembly of equipment for radiotelephony, telephony, IT communications and in general; sales, import and export of machinery, tools, implements and accessories for radiotelephony, telephony, IT communication and in general; development, programming, implementation and maintenance of software; IT consulting service; equipment rent; and representation of domestic and foreign companies by its own or third-party behalf.

Operational ongoing of the Company

The financial statements were prepared on the assumption of normal continuity of operations, which presuppose the realization and recovery of assets, as well as the settlement of obligations in the normal course of the Company's business, and do not include any adjustments that would be required in the presentation of its assets and liabilities, in the event of failure of the measures adopted to restore their financial balance. Management has a reasonable expectation that the Company will have sufficient resources to continue operating for the foreseeable future and, therefore, based on its judgment, concluded that the remaining uncertainty is not material.

2. Presentation of the financial statements and significant accounting practices

Basis of presentation

The financial statements were prepared as per the Brazilian Accounting Regulations, according to NBC TG 1000 - Accounting for small and medium-scale enterprises, [Brazilian] Resolution 1,255/09 of the [Brazilian] Federal Accounting Council = CFC, as well as, when applicable, according to the other CFC Resolutions relative to the CPC decisions, and when applicable, other regulations of the [Brazilian] Stockholders Act, including changes defined by [Brazilian] Acts 11,638/07 and 11,941/09, and NBC Regulation 19.41 - Accounting for Small and Medium-Scale Enterprises - CPC PME (IFRS for SME of IASB)

Functional currency and presentation currency

The financial statements are presented in Brazilian Reais, which is the functional currency of the Company, unless otherwise stated.

The financial statements were approved by the Company's management on April 05, 2021, considering the subsequent events occurred until this date which affected the disclosures of the mentioned financial statements.

Income (expenses) recognition

The result of the operations (income, costs and expenses) is calculated according to the accrual basis.

The income from the sale of products is registered soon after receiving the customer's acceptance, being registered the transfer of the good and its economic benefits.

The service incomes are acknowledged when the property risks and benefits are transferred to the client, and the income amount can be reasonably calculated.

The costs and expenses are acknowledged when there is reduction of an asset or the registering of a liability and they can be reasonably calculated.

Accounting estimates

The financial statements were prepared based on several valuation criteria used in the accounting estimates. The accounting estimates used in the preparation of the financial statements were based on objective and subjective factors judged by Management to determine the appropriate amount to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the valuation of financial assets at fair value, credit risk analysis to determine the allowance for doubtful accounts, the selection of useful lives of property, plant and equipment and intangible assets and their recoverability in operations, as well as the analysis of other risks to determine other provisions, including litigations.

The liquidation of transactions involving these estimates can result in amounts different from those registered in the financial statements due to the probabilistic treatment inherent to the estimate process. The Management supervises and revises periodically and timely these estimates and their premises.

Cash and cash equivalents

These include money in cash, bank deposits and financial investments.

Trade accounts receivable

Trade accounts receivable are initially recognized at the transaction value less the allowance for doubtful accounts. An allowance for doubtful accounts is recognized when conclusive evidence shows that the Company will not receive all amounts due according to the original conditions of accounts receivable.

Inventories

These are represented by hardware, software, spare parts, accessories and components valued at the lower value between average acquisition cost or net realizable value. The net realizable value is the estimated sales price over the normal course of operations, less cost of sales.

Fixed assets

The fixed assets items are calculated by the acquisition or building cost minus the recorverable taxes, accumulated depreciation, and losses due to the reduction of the recoverable amount (impairment), when applicable.

The cost of items registered as fixed assets include all those directly attributable to the acquisition or formation of such asset. The assets costs created by the Company include the cost of materials and salaries of the employees directly involved in the construction or formation of such assets. It includes any other costs directly attributable to the asset until it is ready to be used for the purposes defined by the Company, as well as the costs of demobilization of the asset items and restoration of the sites where such assets are installed, and costs of borrows in qualifiable assets.

The software purchase that is integral part an equipment functionality is capitalized as part of such asset.

Alienation gains and losses of an asset item are due to the difference calculated when comparing the alienation amount to the net amount resulting from the cost amount minus the residual amount and the accumulated depreciation of the asset, and are registered by the net amount of such difference directly in the period result.

Subsequent expenses are capitalized when it is probable that future benefits associated to the expenses will be received by the Company. Recurring maintenance and repair expenses are registered in the result. The depreciation is calculated based on the depreciable amount, which is the cost of an asset, or another amount that substitutes the cost, deduced from the residual amount.

The depreciation is registered in the result based on the linear method, which reflects more properly the pattern of consummation of future economic benefits incorporated to the assets.

Leased assets are depreciated based on the shortest period between the leasing period and their shelf lives, unless it is reasonably certain that the Enterprise shall obtain the property by the end of the lease period. Land is not depreciated.

The estimated shelf lives for the current period, as well as for the comparative period, are presented in the table below..

Fixed assets Description	% yearly depreciation rate
Furniture and Utensils	10
Computing Equipment	20
Vehicles	20
Machinery and Equipment	10
Brands and patents	10
Software	20

The depreciation methods, shelf lives and residual amounts are revised by the end of each financial period, and eventual adjustments are registered as change of accounting estimates.

There was no estimate change for the 2020 period for depreciation, shelf live and residual amounts of the fixed assets.

Impairment test

Management annually reviews the net book value of its main assets with the purpose of evaluating events or changes in economic, operating or technological circumstances that may indicate impairment. When this evidence is identified and the net book value exceeds recoverable value, an impairment charge is recognized writing the net book value down to recoverable value.

Other (current and non-current) assets and liabilities

An asset is recognized in balance sheet when it is likely that its future economic benefits will be generated in favor of the Company and its cost or value may be reliably measured. A liability is recognized in the balance sheet when the Company has a legal or recognized obligation as a result of a past event, and funds may be required to settle this liability. Provisions are recorded based on the best estimates of risks involved.

Assets and liabilities are classified as current when their realization or settlement is expected to occur in the following 12 months. Otherwise, they are stated as non-current.

Loans and financing

They are registered by their face value added of interest calculated “pro-rata dia” until the day of closing the accounting statements. The installments due within a period superior to 12 months are registered as non-circulating liability.

Provision for contingencies

When there are risks of contingencies, for accounting purposes of such risks the Enterprise management uses estimates and expectancies of their juridical consultants, considering some specific concepts, especially interpretations of the Section 21 of NBC-TG-1000 - Resolution 1255/09 of the [Brazilian] Accounting Federal Council - CFC about procedures relative to Provisions, Liabilities and Contingent Assets.

In these lines, as per Section 21 of NBC-TG-1000, in almost all cases it will be clear if a past event originated a current obligation. In rare cases, such as during a lawsuit, it can be discussed whether some events took place, or whether such events resulted in a current obligation. In this case the entity must decide if the current obligation exists on the balance date when considering all evidence available including, for instance, the evaluation of experts. The evidence considered includes any additional evidence given by events after the balance date.

Based on evidences the Enterprise adopts as policy of initial register only when:

a) it has an obligation on the date of financial statements as result of a past event;

b) it is likely (that is, more likely to exist than not) that it will be required the transfer of economic benefits for liquidation;

c) the amount of the obligation can be reliably calculated.

On December 31st, 2020 the Company has lawsuits in progress with the expectation of probable loss in the amount of R$ 46 thousand, according to note 11.

Use of estimative

Preparing the financial statements requires that the management uses estimates to register some transactions that affect assets and liabilities, income and expenses, as well as to publish some information of the accounting statements. The final results of such transactions and information, when effectively made in subsequent periods, can be different from the estimates.

The main estimates associated to the Enterprise accounting statements are reviewed annually,and are related to the provision for contingencies and estimates relative to the selection of shelf lives of the immobilized and intangible assets.

Present value

The management evaluates periodically the need of adjustments to a current amount of all short- and long-term assets and liabilities. The management understands that it is not applicable any adjustment to a current amount because their assets and liabilities do not include interests or additions.

Revenue Recognition

Revenue is the fair value of the consideration received or receivable for rendering services over the Company's normal course of activities. The revenue is stated net of taxes, returns, rebates and discounts. In general, gross income amount is equivalent to the value of the issued invoices.

Financial revenues

Financial revenue is recognized according to the elapsed time under the accrual basis, using the effective interest rate method.

Current and deferred income and social contribution taxes for the period

The current and deferred income and social contribution taxes are recognized as expense or revenue in income (loss) for the year, except when it refers to items recorded under other comprehensive income (loss), or directly in shareholders' equity; hypothesis in which current and deferred taxes are also recognized under other comprehensive income (loss) or directly in shareholders' equity, respectively.

Provisions

Provisions are recognized when: (i) the Company has a present or constructive obligation as a result of past events; (ii) it is probable that an outflow of funds is required to settle the obligation; and (iii) the amount can be reliably estimated. The provisions do not include future operating losses.

Financial instruments

Financial instruments are only recognized as from the date the Company becomes a party of the agreements of financial instruments. When recognized, they are initially recorded at fair value plus transactions costs directly attributable to its acquisition or issue (when applicable). Their later measurement happens at balance sheet date, according to the rules established for each type of classification of financial assets and liabilities.

Statement of cash flows

The statement of cash flows has been prepared by the indirect method and is presented in accordance with Technical Pronouncement CPC 03 - Statements of cash flows, issued by the Committee of Accounting Pronouncements (CPC) and reflects changes in cash for the years presented.

3. Cash and cashequivalents

Description	2020	2019
Cash	**9**	8
Bank accounts	**360**	630
	369	638

Financial investments are short term, highly liquid, readily convertible into a known cash amount and subject to an immaterial risk of changes in value. They mainly bear interest at rates intended to reach the variation of CDI (Interbank Deposit Rate), made with top tier banks, at usual rates and under normal market conditions.

4. Trade accounts receivable

Description	2020	2019
Trade accounts receivable (i)	**5,523**	7.185
(-) Allowance for doubtful accounts	**(561)**	(561)
Total	**4,962**	6.624

Breakdown of receivables is as follows:

Description	2020	2019
On date		
after 31 days	**1,121**	4.008
from 0 to 30 days	**264**	681
Overdue		
from 1 to 30 days	**286**	1.825
from 31 to 60 days	**138**	-
from 61 to 180 days	**-**	60
from 181 to 360 days	**2,780**	50
more than 361 days	**561**	561
	5,150	7.185

The company's internal policy is to take provision for doubtful debtors (PDD) for overdue older than 365 days.

5. Inventories

Description	2020	2019
Software for projects/resale	**111**	111
Consumables	**82**	40
Merchandise for resale	**447**	446
Merchandise held by third parties	**55**	55
Third parties' merchandise held by the Company	**(89)**	(46)
Project Stock	**10**	-
	616	606

6. Recoverabletaxes

Description	2020	2019
ICMS VAT	**47**	55
IPI VAT	**2**	2
PIS and COFINS VAT	**30**	11
Income taxes	**153**	319
Deferred tax assets	**228**	228
	461	615

7. Judicial deposits

Description	2020	2019
Deposits in guarantee	**53**	53
Deposits for resources	**56**	368
	109	421

8. Fixed assets and Intangible assets, net

	2020			2019
	Cost	Acc depreciation and amortization	Net	Net
Furniture and fixtures	**220**	**(207)**	**13**	21
Facilities	**23**	**(23)**	**-**	-
Leasehold improvements	**163**	**(163)**	**-**	-
IT equipment	**925**	**(839)**	**86**	125
Telecommunications equipment	**15**	**(15)**	**-**	-
Trademarks and patents	**12**	**(12)**	**-**	-
Software	**113**	**(103)**	**10**	20
Total Fixed Assets	**1.471**	**(1.362)**	**109**	166

	2019			2018
	Cost	Acc depreciation and amortization	Net	Net
Furniture and fixtures	**220**	**(199)**	**21**	30
Facilities	**23**	**(23)**	**-**	-
Leasehold improvements	**163**	**(163)**	**-**	-
IT equipment	**913**	**(788)**	**125**	121
Telecommunications equipment	**15**	**(15)**	**-**	-
Trademarks and patents	**12**	**(12)**	**-**	-
Software	**113**	**(93)**	**20**	30
Total Fixed Assets	**1.459**	**(1.293)**	**166**	181

9. Trade accounts tosuppliers

Description	2020	2019
Domestic	**96**	208
Foreign	**2.149**	1.376
Total	**2.245**	1.584

10. Labor and taxliabilities

	2020	2019
Provision for vacation	**625**	643
Charges on salaries - INSS (Social Security Tax) and FGTS (Severance Pay Fund)	**81**	173
IRRF (Withholding income tax) payable	**139**	157
Other labor liabilities	**122**	351
Total labor liabilities	**967**	1.324
Other tax liabilities	**69**	118
Total tax liabilities	**69**	118
Total labor and tax liabilities	**1.036**	1.442

11. Provision for contingencies

During the normal course of its business, the Company is exposed to certain contingencies and risks, which include tax, labor and civil proceedings under dispute. As of December 31, 2020, the Company has claims considered probable losses in the amount of R$ 46 thousand (R$ 607 thousand on December 31, 2019) related to labor proceedings.

The Company has claims considered possible losses in the amount of R$ 304 thousand related to labor proceedings amount already guaranteed in court.

Other contingencies may result from possible tax inspections, given that the Company's tax books are subject to review and approval by the competent authorities in federal, state or municipal levels, retroactively, for varying periods according to the legislation in effect.

12. Related-partytransactions

Description	**2020**	2019
Intercompany loans	**-**	5.308
Interest on intercompany loans	**-**	367
Total	**-**	5.405

The amounts related to intercompany loans and interest were paid into capital on 07/2020. Totaling a capital increase in 2020 of R $ 7.230

13. Shareholders'equity

As of December 31, 2020, the share capital in the amount of R $ 11,162 is composed of 11,162 shares, being distributed as follows:

Shareholders	**%**	**Number of shares**	**Amount in R$ thousand**
COMVIVA TECHNOLOGIES B.V	99,87	11,157	11,157
COMVIVA TECHNOLOGIES LIMITED	0,04	5	5
	100	11,162	11,162

14. Net revenue from sales

	2020	2019
Gross sales	**12.373**	13.588
(-) Sales taxes	**(1.125)**	(848)
Net revenue	**11.248**	12.740

15. Costs of services rendered, and goodssold

	2020	2019
Wages and salaries	**(5.467)**	(5.088)
Services provided	**(1.476)**	(1.874)
Depreciation and amortization	**(57)**	(57)
Other costs of services rendered	**-**	(748)
Total	**(7.000)**	(7.767)

16. Selling, general and administrative expenses

	2020	2019
Personnel expenses	**(3,702)**	(4,436)
Selling expenses	**(833)**	(1,492)
Third-party services	**(287)**	(526)
Other administrative expenses	**(502)**	(309)
Total	**(5,324)**	(6,763)

17. Financial income (loss)

	2020	2019
Financial investment returns	**2**	25
Other returns	**22**	48
Foreign exchange variation	**610**	1,984
Total financial revenues	**634**	2,057
Interest on loans	**(131)**	(336)
Exchange rate losses	**(2,514)**	(2,313)
Other financial expenses	**(219)**	(117)
Total financial expenses	**(2,864)**	(2,766)
Total financial income (loss)	**(2,230)**	(709)

18. Insurance coverage (unaudited)

The Company follows the policy of taking out insurance for civil liability, certain vehicles and other needs in amounts considered sufficient to cover possible losses, considering the nature of its activities and the risk level involved, Given the nature of the risk assumptions adopted, they are not part of the scope of an audit of financial statements and therefore were not reviewed by our independent auditors,

19. Financial Instruments

The Company enters into financial instruments transactions, aiming to finance its activities or invest its available funds, These risks are managed by designing conservative strategies aiming at liquidity, profitability and security, The control policy consists of a permanent tracking of contractual rates versus market rates in effect.

The Company restricts its exposure to credit risks associated to banks and cash and cash equivalents by making its investments with top-tier financial institutions and in short-term notes, Credit risks of accounts receivable are managed through specific standards of credit analysis and establishment of exposure limits per customer.

Financial instruments are recorded in balance sheet accounts and consist of cash and cash equivalents (Note 3), trade accounts receivable (Note 4) and trade accounts payable (Note 9), whose estimated market values are substantially similar to the respective book values.

For the year ended December 31, 2020, there were no transactions with derivatives.

20. Explanation added to the translation for the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes, Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.

COMVIVA TECHNOLOGIES COLOMBIA S.A.S.

General Manager:
Sachin Jairath

Second Alternate of General Manager:
Ashish Kumar

Registered No:
2699703

Registered Office:
AC 82, No.10 50 P.5 Bogota,
Colombia

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER , 2020

The Directors submit their report together with the Audited Financials of Comviva Technologies Colombia S.A.S ("The Company"), for the year ended 31st December, 2020.

Principal Activity

The principal activities are providing information technology services and telecommunication solutions.

Review of Business

The results for the year are set out on page herein of the financial statements.

Directors

The following Directors served during the year:

1. Sachin Jairath
2. Ashish Kumar

On behalf of the Board of Directors,

Sachin Jairath	**Ashish Kumar**
General Manager	**Second Alternate of General Manager**

INDEPENDENT AUDITORS' REPORT

Financial Statements Report

I have audited the accompanying financial statements of **COMVIVA TECHNOLOGIES COLOMBIA SAS.**, which include the comparative statements of financial position as of December 31st 2020 and December 31st 2019, the income statement, the statement of changes in Owner equity, the statement of cash flows and the explanatory notes for the period ending on the above date, as well as a summary of relevant accounting policies and other explanatory information.

Management's responsibility regarding the financial statements

Management is responsible for the preparation and proper presentation of the financial statements in accordance with Decree 3022 of 2013, compiled in Single Regulatory Decree 2420 of 2015, which incorporates International Financial Reporting Standards for SMEs, and the internal control that Management deems necessary to allow for the preparation of financial statements free of material misstatement, due to fraud or error.

External Auditor´s responsibility regarding financial statements

My responsibility is to express an opinion regarding the attached financial statements, based on my audit. I have carried out the audit in accordance with Part 2, Title 1 of Single Regulatory Decree 2420 of 2015, which incorporates the International Standards on Auditing - ISA. These standards require that I comply with ethical requirements, as well as plan and execute the audit in order to obtain reasonable assurance about whether the financial statements are free from material misstatement or not.

An audit involves applying procedures to obtain audit evidence on the amounts and information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, due to fraud or error. When making these risk assessments, the auditor takes into account the internal control relevant to the preparation and faithful presentation of the financial statements by the Company, in order to design the appropriate audit procedures depending on the circumstances, and with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the adequacy of the accounting policies applied, the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I consider that the evidence of audit I have obtained provides a sufficient and adequate basis for my opinion.

Unqualified opinion

In my opinion, the financial statements faithfully present, in all material aspects, the financial situation of Comviva Technologies Colombia S.A.S., as of December 31st, 2020 and 2019, as well as its results and cash flows for the year ended on the above date, in accordance with Decree 3022 of 2013, compiled in Single Regulatory Decree 2420 of 2015, modified by Decree 2270 de 2019, which incorporates International Financial Reporting Standards for SMEs.

Report on other legal and regulatory requirements

Additionally, article 209 of the code of Commerce sets forth the obligation to express as part of my role the compliance to legal, internal norms and adequate internal control.

To carry out this evaluation I complied with the requirement in Title 1, Part 2 of Reglamentary decree 2420 of 2015 and applied the principles incorporated in the NIEA 3000 protocol.

My work was carried out by applying tests to evaluate the degree of compliance with the legal and regulatory provisions by the entity's administration, as well as the operation of the internal control process, which is also the responsibility of the administration. For the purposes of evaluating legal and regulatory compliance, I used the following criteria:

- Legal norms that affect the activity of the entity;
- Statutes of the entity;
- Shareholders Assembly minutes
- Other relevant documentation.

For the evaluation of internal control, I used the COSO model as a criterion. This model is not mandatory for the company, but it is an internationally accepted benchmark for configuring an adequate internal control process.

The internal control of an entity is a process carried out by those with corporate governance responsibility, management and other personnel, designated to provide reasonable assurance regarding the preparation of reliable financial information, compliance with legal and internal regulations, and the achievement of a high level of effectiveness and efficiency in operations.

An entity's internal control includes those policies and procedures that: (1) allow the maintenance of records that, in reasonable detail, accurately and faithfully reflect the transactions and the entity's assets disposition; (2) provide reasonable assurance that transactions are recorded with the necessary detail to allow the preparation of financial statements in accordance with the regulatory technical framework applicable to Group 2, which corresponds to the IFRS for SMEs, and that income and disbursements of the entity are being carried out only in accordance with the authorizations of the administration and those in charge of corporate governance.

This entity **COMVIVA TECHNOLOGIES COLOMBIA S.A.S.** which I audited, fully complied with the contributions to social security and workers compensation payments which were calculated from the monthly payroll in a timely manner.

Mail Correspondence, account vouchers, minutes and shareholders' register books are properly kept and preserved.

The actions put forth by the administrators of **COMVIVA TECHNOLOGIES COLOMBIA S.A.S.**

are aligned the statutes and instructions given by the general shareholders assembly. This Fiscal Reviewer audit report is generated on the 8th of March 2021.

Regards,

JOSE ANTONIO GONZALEZ CASTAÑEDA
Revisor Fiscal (Auditor Externo)
T.P. N° 12.423-T March 08 de 2021
Carrera 14 Bis 153-81 IN 7 AP 302 Bogotá Colombia

COMVIVA TECHNOLOGIES COLOMBIA S.A.S.

COMPARATIVE FINANCIAL SITUATION REPORT

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	Note	Year		Year		Variation	
		DEC-31-2020	%	DEC-31-2019	%	Amount	%
Current Assets							
Cash and cash equivalents	1	500.573.253,88	11,74%	578.461.968,78	36,64%	(77.888.715)	-13,46%
Cash in hand		5.265,72	0,00%	2.478.616,72	0,16%	(2.473.351)	-99,79%
Banks		500.567.988,16	11,74%	575.983.352,06	36,48%	(75.415.364)	-13,09%
Debtors	2	3.709.742.571,41	86,99%	931.178.464,26	58,97%	2.778.564.107	298,39%
Current Commercial receivables		3.686.906.498,64	86,46%	860.131.022,00	54,48%	2.826.775.477	328,64%
Advance payments		3.871.458,00	0,09%	23.187.351,53	1,47%	(19.315.894)	-83,30%
Income tax withholding		9.119.784,77	0,21%	47.860.090,73	3,03%	(38.740.306)	-80,94%
Accounts receivables from Employees		9.844.830,00	0,23%	0,00	0,00%	9.844.830	0,00%
Total current assets		**4.210.315.825,29**	**98,73%**	**1.509.640.433,04**	**95,61%**	**2.700.675.392**	**178,90%**
Non-current assets							
Total plant property and equipment	3	54.039.469,52	1,27%	69.305.221,77	4,39%	(15.265.752)	-22,03%
Furniture and fixtures		33.710.499,00	0,79%	33.710.499,00	2,14%	-	0.00%
Cumulatve Depreciation		-11.249.045,00	-0,26%	-5.988.857,00	-0,38%	(5.260.188)	87,83%
Office equipment		22.461.454,00	0,53%	27.721.642,00	1,76%	(5.260.188)	-18,98%
Communications and Hardware Equipment		66.773.951,52	1,57%	58.598.991,77	3,71%	8.174.960	13,95%
Cumulatve Depreciation		-35.195.936,00	-0,83%	-17.015.412,00	-1,08%	(18.180.524)	106,85%
Communications and Hardware Equipment		31.578.015,52	0,74%	41.583.579,77	2,63%	(10.005.564)	-24,06%
Total Non-Current Assets		**54.039.469,52**	**1,27%**	**69.305.221,77**	**4,39%**	**(15.265.752)**	**-22,03%**
TOTAL ASSETS		**4.264.355.294,81**	**100,00%**	**1.578.945.654,81**	**100,00%**	**2.685.409.640**	**170,08%**

COMPARATIVE FINANCIAL SITUATION REPORT

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	Not	Year DEC-31-2020	%	Year DEC-31-2019	%	Variation Amount	%
Current Liability							
Accounts payable and others	4	839.199.942,02	19,68%	132.568.398,22	8,40%	706.631.544	533,03%
Taxes	5	706.231.951,39	16,56%	254.925.822,88	16,15%	451.306.129	177,03%
Employee Benefits	6	219.096.003,00	5,14%	167.506.106,00	10,61%	51.589.897	30,80%
Estimated liabilities	7	**236.395.117,40**	**5,54%**	**111.454.039,00**	**7,06%**	**124.941.078**	**112,10%**
Total Current Liability		**2.000.923.013,81**	**46,92%**	**666.454.366,10**	**42,21%**	**1.334.468.648**	**200,23%**
Pasivo no corriente							
Deferred Tax Liabilities	7	124.615.300,00	2,92%	0,00	0,00%	124.615.300	0,00%
Total non current liability		**124.615.300,00**	**2,92%**	**0,00**	**0,00%**	**124.615.300**	**0,00%**
Total Liability		**2.125.538.313,81**	**49,84%**	**666.454.366,10**	**42,21%**	**1.459.083.948**	**218,93%**
Owners equity	8						
Common Stock		43.906.000,00	1,03%	43.906.000,00	2,78%	-	0,00%
Earnings (loses) previous periods		513.931.288,71	12,05%	-252.689.519,56	-16,00%	766.620.808	-303,38%
Share placement premium		354.654.000,00	8,32%	354.654.000,00	22,46%	-	0,00%
Earnings (loses) current penod		1.226.325.692,29	28,76%	766.620.808,27	48,55%	459.704.884	59,97%
Total owners equity		**2.138.816.981,00**	**50,16%**	**912.491.288,71**	**57,79%**	**1.226.325.692**	**134,39%**
Total liability and owners equity		**4.264.355.294,81**	**100.00%**	**1.578.945.654,81**	**100.00%**	**2.685.409.640**	**170,08%**
control account		0,00		0,00			

the note sandfinancial statements form anindivisible whole.

Sachin Jairath Legal Representative	Leidy Viviana Alarcon Ramirez Accountant T.P. No. 240002-T	Jose Antonio Gonzalez Castañeda Fiscal Reviewer Tarjeta Profesional flo. 12423-T

COMVIVA TECHNOLOGIES COLOMBIA S.A.S.

RESULTS STATEMENT FOR THE PERIOD

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	Note	Year		Year		Variation	
		DEC-31-2020	%	DEC-31-2019	%	Amount	%
Operational revenue							
Income from Operational Activities	9	7.437.959.218,90	100,00%	5.239.964.932,73	100,00%	2.197.994.286	41,95%
Ordinary income		**7.437.959.218,90**	**100,00%**	**5.239.964.932,73**	**100,00%**	**2.197.994.286**	**41,95%**
Cost of Sales	10	744.206.237,57	10,01%	0,00	0,00%	744.206.238	0,00%
Gross profit		**6.693.752.981,33**	**89,99%**	**5.239.964.932,73**	**100,00%**	**1.453.788.049**	**27,74%**
Administration expenses	11	2.936.934.073,57	39,49%	2.697.942.186,43	51,49%	238.991.887	8,86%
Sales Expenses	12	1.854.432.095,02	24,93%	1.566.409.474,72	29,89%	288.022.620	18,39%
Operational profit		**1.902.386.812,74**	**25,58%**	**975.613.271,58**	**18,62%**	**926.773.541**	**94,99%**
Non Operational Income	13	283.213.040,57	3,81%	123.215.143,22	2,35%	159.997.897	129,85%
Non Operational Expenses	13	411.739.161,02	5,54%	94.506.606,53	1,80%	317.232.554	335,67%
Profit before income tax		**1.773.860.692,29**	**23,85%**	**1.004.321.808,27**	**19,17%**	**769.538.884**	**76,62%**
Income Tax	14	547.535.000,00	7,36%	237.701.000,00	4,54%	309.834.000	130,35%
Net profits after taxes		**1.226.325.692,29**	**16,49%**	**766.620.808,27**	**14,63%**	**459.704.884**	**59,97%**

the notes and financial statements forman indivisible whole.

Sachin Jairath Legal Representative	Leidy Viviana Alarcon Ramirez Accountant T.P. No. 240002-T	Jose Antonio Gonzalez Castañeda Fiscal Reviewer Tarjeta Profesional flo. 12423-T

CHANGES IN OWNERS EQUITY

Cumulative for the period ending December 31st of the following yearsf

(Amounts in Colombian Pesos)

	Balance as of diciembre-19	Debit Movement	Credit Movement	Balance as of diciembre-20
Owners Equity				
Accounts Detail				
Common Stock	43.906.000	-	-	43.906.000
Earnings (loses) current period	766.620.808	766.620.808	1.226.325.691	1.226.325.691
Earnings (loses) previous periods	-252.689.520	0	766.620.808	513.931.290
Share placement premium	354.654.000	0	0	354.654.000
Total	**912.491.289**	**766.620.808**	**1.992.946.500**	**2.138.816.981**
account control	0			0

The notes and Financial Statements form an indivisible whole“.

Sachin Jairath Legal Representative	Leidy Viviana Alarcon Ramirez Accountant T.P. No. 240002-T	Jose Antonio Gonzalez Castañeda Fiscal Reviewer Tarjeta Profesional flo. 12423-T

COMVIVA TECHNOLOGIES COLOMBIA S.A.S.

COMVIVA TECHNOLOGIES COLOMBIASAS CASH FLOWSITUATION

Cumulative between January 1st and December 31st of the Years

(All amounts in Colombian Pesos)

	2020
Cash Flow Operational Activities:-	
Earnings current period	**1.226.325.692**
Minus: accounts not affecting cash flow	
Depreciation	**23.440.712**
Provisions	**41.533.602**
Operationally generated cash flow :	**1.291.300.007**
Change in Operational Activities	
(Increase) Reduction in Accounts Receivables	**-2.778.564.107**
(Increase) Reduction in:-	
Accounts Payable	**706.631.544**
Taxes Payable	**451.306.129**
Employee Liabilities	**51.589.897**
Estimated liabilities and accruals	**124.941.078**
Net cash flow operational activities	**-152.795.453**
Cash Flow investment activities:	
Purchasing of fixed assets	**-8.174.960**
Liabilities payments	**83.081.698**
Earnings (loses) previous periods	**0**
Share placement premium	
Net Cash Flow investment activities:	**74.906.738**
Cash Flow financing activities:	
Profits Transfer	**0**
Net cash flows from financing activities	**0**
Net cash increase	**-77.888.714**
Cash Beginning of the Period	**578.461.969**
Cash End of the Period	**500.573.254**

the notes and financial statements form an indivisible whole

Sachin Jairath Legal Representative	Leidy Viviana Alarcon Ramirez Accountant T.P. No. 240002-T	Jose Antonio Gonzalez Castañeda Fiscal Reviewer Tarjeta Profesional flo. 12423-T

1. Cash and CashEquivalents

The current policy is to maintain enough resources to pay liabilities with Banks, Suppliers and other operational expenses like payroll.

As of December 31st 2020 the available amounts are decomposed as follows:

	DEC-31-2020	DEC-31-2019
Cash in hand	**5.265,72**	2.478.616,72
Checking account deposits	**500.567.988,16**	575.983.352,06
	0,00	0,00
	500.573.253,88	578.461.968,78

2. Debtors

As of December 31st 2020 the Debtors account is decomposed as follows:

	DEC-31-2020	DEC-31-2019
Domestic	**2.323.914.571,14**	449.977.288,00
Foreign	**1.362.991.927,50**	410.153.734,00
Advance payments to suppliers - contractors	**3.871.458,00**	23.187.351,53
Income tax with holding	**9.119.784,77**	47.860.090,73
Accounts Receivables from Employees	**9.844.830,00**	0,00
Less Client provision	**0,00**	0,00
	3.709.742.571,41	931.178.464,26
Amount in US Dollars from Foreign clients	**397.084,32**	125.156,00

3. Plant, Property andEquipment

As of December 31st 2020 this account includes inflation adjustments and is decomposed as follows:

Property Plant and Equipment	DEC-31-2020	DEC-31-2019
Office Equipment	**33.710.499,00**	33.710.499,00
Cumulative Depreciation	**-11.249.045,00**	-5.988.857,00
Subtotal	**22.461.454,00**	27.721.642,00
Communications and hardware equipment	**66.773.951,52**	58.598.991,77
Cumulative Depreciation	**-35.195.936,00**	-17.015.412,00
Subtotal	**31.578.015,52**	41.583.579,77
Total Plant Property and Equipment	**54.039.469,52**	69.305.221,77

4. Accounts payable and others

As of December 31st the accounts payable are decomposed as follows:

	DEC-31-2020	DEC-31-2019
Domestic Suppliers	**710.970.601,43**	0,00
Costs and Expenses Payable	**39.031.971,00**	31.216.657,91
Payable taxes	**22.200.745,99**	26.829.861,14
Industry and Commerce tax withheld	**117.891,60**	370.989,39
Tax withholdings and contributions payable	**38.272.432,00**	43.263.415,98
Other creditors	**28.606.300,00**	30.887.473,80
	839.199.942,02	132.568.398,22

5. Liablities form taxes, surtax and contributions

As of December 31st 2020 the income tax, sales tax and deferred taxes are decomposed as follows:

		DEC-31-2020	DEC-31-2019
Income tax		**441.822.266,15**	237.701.000,00
Income tax	441.822.266,15	**0,00**	0,00
Total Income Tax		**441.822.266,15**	237.701.000,00
Plus: Sales tax payable		**245.989.180,29**	9.749.069,39
Bimester 2020-06	245.989.180,29	**-**	0,00
Plus : Industry and Commerce tax		**18.420.504,95**	7.475.753,49
		706.231.951,39	254.925.822,88

6. Employee Benefits

As of December 31st 2020 the balance on this accounts is decomposed as follows:

	DEC-31-2020	DEC-31-2019
Salaries payable	**0,00**	0,00
Cesantías	**46.242.870,00**	45.880.050,00
Interest on Cesantias	**5.426.310,00**	6.498.120,00
Vacation time liability	**167.426.823,00**	115.127.936,00
	219.096.003,00	167.506.106,00

7. Estimated liabilities and provisions

As of December 31st 2020 the estimated liabilities and provisions account is decomposed as follows:

	DEC-31-2020	DEC-31-2019
Commisions and bonuses	**236.395.117,40**	111.454.039,00
Liabilities from deferred Taxes	**124.615.300,00**	0,00
	361.010.417,40	111.454.039,00

8. Owner Equity

The owners equity as of December 31st 2020 is as follows:

	DEC-31-2020	DEC-31-2019
Capital Social	**43.906.000,00**	43.906.000,00
Earnings (loses) current period	**1.226.325.692,29**	766.620.808,27
Earnings (loses) previous periods	**513.931.288,71**	-252.689.519,56
Share placement premium	**354.654.000,00**	354.654.000,00
Adoption adjustments	0,00	0,00
	2.138.816.981,00	912.491.288,71

9. Revenue from Operational activities

Operational Revenue is decomposed as follows:

	DEC-31-2020	DEC-31-2019
Local Income	**2.111.216.259,00**	506.949.150,00
Services	**2.111.216.259,00**	506.949.150,00
Exempt income	**0,00**	0,00
Foreign income	**5.326.742.959,90**	4.733.015.782,73
Services	**4.990.840.339,00**	4.405.301.782,73
Provision Comviva Technologies BV	**335.902.620,90**	327.714.000,00
Minus : Returns	**0,00**	0,00
Net Operational income	**7.437.959.218,90**	5.239.964.932,73
TRM as of dec-31- US Dollar	**US$ 3.432,5**	US$ 3,277,14
Amount in US Dollars from Foreign sources	**1.625.414,37**	1.502.640,10

10. Cost of Sales

Cost of Sales is decomposed as follows:

	DEC-31-2020	DEC-31-2019
Plus: Licensing Costs	**706.407.547,57**	0,00
Provisions	**37.798.690,00**	0,00
Total Available:	**744.206.237,57**	0,00
Others	**0,00**	0,00
	744.206.237,57	0,00

11. Adminstration Expenses

Administration expenses are decomposed in the following accounts:

	DEC-31-2020	DEC-31-2019
Personnel expenses	**2.232.516.173,72**	2.138.094.942,98
Fees	**141.759.039,00**	205.127.320,00
Taxes	**124.615.300,00**	267.360,00
Rent	**106.617.017,00**	84.409.591,00
Contributions and Memberships	**10.432.267,00**	10.352.451,00
Insurance	**2.648.565,00**	0,00
Utilities	**120.117.843,03**	93.809.688,71
Legal Expenses	**3.348.988,00**	1.621.880,00
Maintenance and Repair	**1.407.730,00**	402.327,84
Habilitation and Installation	**105.440.545,00**	265.584,00
Depreciation	**23.440.712,00**	15.278.229,00
Others	**64.589.893,82**	148.312.811,90
Provisions	**0,00**	0,00
	2.936.934.073,57	2.697.942.186,43

12. Sales Expenses

Sales expenses are decomposed as follows:

	DEC-31-2020	DEC-31-2019
Personnel Expenses	**1.803.856.909,93**	1.510.567.279,48
Taxes	**19.488.751,46**	7.607.412,49
Services	**113.000,00**	12.072.213,00
Others	**30.973.433,63**	36.162.569,75
Personnel Expenses provisions	**0,00**	0,00
	1.854.432.095,02	1.566.409.474,72

13. Other Income and Other Expenses

	DEC-31-2020	DEC-31-2019
Other Income		
Interests	**0,00**	339,01
Exchange rate	**272.873.736,27**	49.867.694,28
Recoveries	**10.335.572,93**	73.286.722,14
Other	**3.731,37**	60.387,79
Total Other Income	**283.213.040,57**	123.215.143,22
Other Expenses		
Bank fees	**77.292,00**	223.009,52
Bank Interests	**2.836,00**	0,00
Exchange rate	**390.846.082,44**	57.687.520,40
Expensed Taxes	**1.120,61**	37.270,04
4* 1000 Financial transactions surcharge tax	**19.865.142,69**	17.385.807,16
Others	**946.687,28**	19.172.999,41
Total Other Expenses	**411.739.161,02**	94.506.606,53

14. Income Tax Return

	DEC-31-2020	DEC-31-2019
Profit Before Taxes	**1.773.860.692,29**	1.004.321.808,27
Non deductible Expenses	**946.687,28**	19.172.999,41
Non deductible Financial transactions surcharge GMF 4x1000 (50%)	**9.932.571,35**	8.692.903,58
Non deductible exchange rate diference	**15.418.345,99**	15.831.028,00
Deferred Taxes	**124.615.300,00**	
Provisions	**41.533.602,46**	-327.714.000,00
Taxable Profit	**1.966.307.199,37**	720.304.739,26
Presumptive tax on profit	**605.115,00**	1.815.345,00
Provision for income tax 32%	**547.535.000,00**	237.701.000,00
Net Profit after Taxes	**1.226.325.692,29**	766.620.808,27

Sachin Jairath Legal Representative	Leidy Viviana Alarcon Ramirez Accountant T.P. No. 240002-T	Jose Antonio Gonzalez Castañeda Fiscal Reviewer Tarjeta Profesional flo. 12423-T

Note 1. REPORTING ENTITY

COMVIVA TECHNOLOGIES COLOMBIA is a private Commercial Entity, organized as a simplified stock corporation of national order, created by means of a private document. With singular amount of shareholders on the 15th of June 2016, with residence in the city of Bogotá D.C., having its main address at Calle 98 No. 70-91 OFC 806 edifice VARDI.

Active Entity: That the Entity **COMVIVA TECHNOLOGIES COLOMBIA** is not dissolved, and its duration is indefinite.

The owners equity of **COMVIVA TECHNOLOGIES COLOMBIA** is distributed in the following way:

SHAREHOLDER	I.D.	REPRESENTED BY	NUMBER OF SHARES	%	COMMON STOCK
Comviva Technologies B.V		Karen Santamaria	43.906	100%	$43.906.000
TOTALS			**43.906**	**100%**	**$43.906.000**

AUTHORIZED CAPITAL:	
Amount in Col$	$100.000.000
Number of shares	100.000
Nominal value Col$	$ 1.000
COMMON STOCK:	
Amount in Col$	$43.906.000
Number of shares	43.906
Nominal value Col$	$ 1.000
PAYED CAPITAL:	
Amount in Col$	$43.906.000
Number of shares	43.906
Nominal value Col$	$ 1.000

The corporate purpose of COMVIVA TECHNOLOGIES COLOMBIA will be: (a) Carry out trade and business activities for the development, implementation, support, sale and purchase of hardware and software products; (b) Additionally, it may carry out any other lawful economic, commercial or civil activity both in Colombia and abroad, including the power to give or receive loans.

Nature of its operation

For the fulfillment of its objectives, COMVIVA TECHNOLOGIES COLOMBIA., Carries out service activities in Bogotá, D.C., and throughout the territory of the Republic of Colombia. Its corporate purpose includes the following activities: 1.- The commercialization of computer and communication equipment, its parts or components, its peripherals and accessories, programs and supplies, consulting 2.- The development and control of software in computer systems, feasibility studies, analysis, design and programming of commercial, scientific and engineering applications, also allowing training in related activities. Based on its corporate purpose, the company may carry out the following activities: A) Administration of its own or third-party computer centers, B) Buying, selling, exchanging, exporting, importing and distributing all kinds of goods, raw materials and products related to the computing area, C) Enter into leasing contracts, 4.- Buy, dispose of or organize computer centers.

On going business hypothesis

When preparing the complete set of financial statements, **COMVIVA TECHNOLOGIES COLOMBIA** management evaluated its ability to continue as a going business. The financial statements presented are prepared on the assumption that it is fully active and will continue to function for the foreseeable future. For the time being there is no intention to liquidate it or to cease its operations, nor are there any uncertainties related to the operation of the business.

Note 2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

COMVIVA TECHNOLOGIES COLOMBIA presents its individual financial statements in accordance with the Financial Information Standards accepted in Colombia (NIF), established by Law 1314 of 2009 and regulated by Sole Regulatory Decree 2420 of 2015, which establishes the Regulatory Regime for the Financial Reporting preparations that make up group 2 comprising the International Financial Reporting Standard for Small and Medium Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) in its 2009 version and later updated to version 2015.

International financial reporting standards have two applicable reference frameworks: one for publicly traded companies, known as full IFRS, and another applicable to companies considered small and medium or private interest companies, known as IFRS for SMEs.

Based on the current characteristics of **COMVIVA TECHNOLOGIES COLOMBIA** and taking into account that:

a) **COMVIVA TECHNOLOGIES COLOMBIA** is not an issuer of liability or equity instruments in a public market, and therefore is not registered in the National Registry of Securities and Issuers -RNVE-

b) **COMVIVA TECHNOLOGIES COLOMBIA** is not a public interest entity according to Law 819 of 2003 article 17, and according to the definition these are entities that receive, manage or administer resources from the general public.

c) **COMVIVA TECHNOLOGIES COLOMBIA** is not the parent or subordinate of a national or foreign company, and does not carry out imports that represent more than 50% of the purchase operations.

d) **COMVIVA TECHNOLOGIES COLOMBIA**, has 21 direct employees

e) **COMVIVA TECHNOLOGIES COLOMBIA** has assets below the 30,000 SMLV threshold

COMVIVA TECHNOLOGIES COLOMBIA is classified in Group 2 and therefore must apply the IFRS for SMEs regulatory framework.

These financial statements correspond to the fifth annual financial statements presented in accordance with the IFRS SMEs; In preparing these financial statements, **COMVIVA TECHNOLOGIES COLOMBIA** has applied the accounting policies approved by the General Shareholders Meeting, and the significant accounting judgments, estimates and assumptions described in NOTE 3.

For the recognition of economic facts, the causation basis is applied. The economic facts are documented by means of internal and / or external sources, which comply with the requirements applicable to each case and adhere to the respective accounting vouchers, making their verification possible.

These financial statements have been prepared based on the historical cost model, with the exception of some financial assets that must be measured at fair value.

These financial statements are presented in Colombian pesos.

Note 3. SUMMARY OF THE MORE REPRESENTATIVE ACCOUNTING POLICIES

The quality policy for accounting and financial information is to issue "Individual General Purpose Financial Statements for external users that faithfully represent the economic reality in all its relevant aspects, also complying with the special standards issued by the authorities that exercise inspection, surveillance or control "

1.- Financial Assets

Financial assets within the scope of section 11 of the IFRS SMEs are classified as financial assets measured at fair value with a charge to results, financial assets measured at cost less impairment and financial assets measured at amortized cost.

All financial assets are initially recognized at fair value, and financial assets measured at cost and amortized cost are increased by transaction costs.

Financial assets classified as current assets are measured by the undiscounted amount of cash or other consideration expected to be received (net of impairment) unless the arrangement is, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the entity will measure the financial asset at the present value of future payments discounted at a market interest rate for a similar debt instrument.

2.- Financial liabilities

Financial liabilities, in accordance with section 11, are classified as loans and accounts payable, or as derivatives designated as hedging instruments in an effective hedging relationship, as applicable. The Company determines the classification of financial liabilities at the time of its initial recognition.

All financial liabilities are initially recognized at their fair value, except in the case of loans and accounts payable accounted for at the transaction price where the directly attributable transaction costs are recognized. Likewise if the arrangement constitutes a financing transaction, the entity will measure the financial asset or financial liability at the present value of future payments discounted at a market interest rate for a similar debt instrument determined at initial recognition.

The Company's financial liabilities include accounts payable, financial derivatives and debts for loans received and other items that accrue interest.

Debt instruments such as financial obligations will be subsequently measured at amortized cost using the effective interest rate method.

3.- Revenue recognition from core/operational activities

Revenue from core activities originated from recoveries is recognized at the fair value of the received service/product, provided that the amount of the revenue can be measured reliably, it is probable that the benefits will be received, the degree of completion of the transaction and the costs incurred.

Income from interest on core business activities is recognized using the effective interest rate method in the item called financial income.

4.- Financial expenses for loans and debt operations

All borrowing costs are recognized in profit or loss in the period in which they are incurred using the effective interest rate method in an item called financial expenses.

5.- Income tax

The amounts originated from income tax represents the sum of the result from current tax and deferred taxes.

Current income tax assets and liabilities for the current period are measured as the amount that is expected to be recovered from the tax authorities or that would have to be paid. The tax rate and tax laws used to account for the amount are those in force, or nominally in force, as of the date of the report.

Current income tax related to items that are recognized directly in Owner Equity or in other comprehensive Results is recognized in the Statement of Changes in Owner Equity or in the Results Statement, respectively. The administration periodically evaluates the position adopted in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and creates the required provisions in each case.

The estimate of the liability for income tax is calculated at the official rate of 32% for the year 2020, by the accounting causation method, on the highest value among the presumptive equivalent income of 0.5% of the taxable assets of the previous year or the net tax income. The asset or liability for income tax is presented net, after deducting the advances paid and the tax withholdings in favor.

Deferred income tax is recognized for temporary differences between the carrying amount of assets and liabilities and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase future taxable income. Deferred tax assets are recognized for all temporary differences that are expected to reduce future taxable profit, and any unused tax loss or unused excess presumptive income.

Deferred taxes are measured at the tax rate expected to be applied to temporary differences when they are reversed, based on the laws that have been approved or are about to be approved as of the date of the report. The book value of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable earnings to use all or part of the deferred tax asset. Unrecognized deferred tax assets are reviewed at each closing date and are recognized to the extent that it is probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax related to items recognized out of profit or loss is recognized in correlation with the underlying transaction, either in ORI or directly in Owner Equity. Deferred tax assets and liabilities are offset if there is an enforceable right to offset current tax assets and liabilities, and when deferred tax assets and liabilities are derived from income taxes corresponding to the same tax authority and fall on the same tax entity or taxpayer, or in different tax entities or taxpayers, but the Company intends to liquidate current tax assets and liabilities for their net amount, or simultaneously materialize its tax assets and liabilities.

7.- Property, plant and equipment

Property and equipment are recognized as assets when future economic benefits are derived from them and the cost can be reliably measured and presented at their acquisition costs, which do not exceed their recoverable amounts through future operations, less accumulated depreciation

Additions, renewals and improvements are recorded in the cost of the asset only if it is probable that the expected future economic benefits will be obtained and that these benefits can be reliably measured.

1.) Initial valuation and recognition.

The following goods recognized as Property, Plant and Equipment are subject to: Se reconoce como Propiedad, Planta y Equipo los bienes sujetos a:

- If their initial cost is less than ½ a Monthly Minimum Wage (SMLV) they are immediately recognized as an expense.
- If their initial cost is between ½ and 2 Monthly Minimum Wages (SMLV), it will be completely depreciated between the purchase date and December 31st of the same calendar year.

- If their initial cost is upwards of 2 Monthly Mínimum Wages (SMLV) it is recognized as an asset and depreciation will take place based on the accounting policy and general accounting principles.
- Construction, remodeling, habilitation and similar investments on third party property are recognized as Property, Plant and Equipment or intangibles and are subject to depreciation during the term of the rent/ lease contract, unless the cost of the later is less than the equivalent of one hundred and fifty (150) Monthly Minimum Wages in which case this will be recognized as an expense. If the contract term on third party property is less than the lifespan of the asset, then reconciliatory entries will be reflected in the general ledger.

2.) Subsequent measurement.

The entity will not appraise for Property, Plant and Equipment (NIC 16,29 y NIIF PYMES 17,15). However, in case an appraisal is needed for a specific need like a loan or collateral, this will be revealed in the notes to the financial statements.

The entity will only appraise Property, when Management deems necessary or at least every five (5) years.

8.- Depreciation Expenses

8.1. Depreciation is charged to distribute the cost of the assets minus their residual values throughout their estimated useful life, if this estimation is not available then the general market practice analyzed by the DIAN (tax authority) and the straight-line method is applied.

The following useful lives are used in the depreciation of property, plant and equipment:

Description	Useful Life	Method
Construction and buildings	30 to 60 years	linear
Machines and Equipment	10 years	linear
Office Equipment	10 years	linear
Computing and Communication Eq	5 years	linear
Transportation Equipment	5 years	linear
Medical Equipment	3 years	linear

Land has an indefinite useful life and therefore does not depreciate.

If there is any indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Repairs and preventive maintenance are recorded in the results for the year in an item called “maintenance expenses”.

8.2. In the case of completely depreciated assets that continue in use (NIC 16, 79b, NIIF 17.31); Totally depreciated assets, although in use, are written off. They can continue to be administered in some other information system off the books.

9. - Impairment of the value of non-financial assets

At each reporting date, property, plant and equipment, intangibles and investments measured at cost are reviewed to determine if there are indications that these assets have suffered an impairment loss. If there are indications of a possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is less, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognized in profit or loss.

10.- Value Impairment on financial assets

The Company will assess each year-end whether the financial assets or groups of financial assets are impaired. If there is objective evidence that an impairment loss has been incurred for the value of loans and receivables recorded at amortized cost, the amount of the loss is valued as the difference between the carrying amount of the asset and the present value of the assets. estimated future cash flows, discounted at the original effective interest rate of the financial asset (that is, the effective interest rate computed at the time of initial recognition). The book value of the asset is reduced through a provision account and the amount of the loss is recognized in the income statement for the year.

11.- Accounts receivable derived from operating activities

Sales are made under normal credit terms and the amounts of the accounts receivable do not accrue interest. When credit is extended beyond normal credit terms, accounts receivable are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade debtors and other accounts receivable are reviewed to determine if there is any objective evidence that they will not be recoverable. If so, an impairment loss is immediately recognized in profit or loss.

12.- Accounts payable derived from the normal operation activities

Accounts payable correspond to obligations based on normal credit conditions and do not accrue interest. The amounts of trade accounts payable denominated in foreign currency are converted into the functional currency using the exchange rate in effect on the date reported. Gains or losses from foreign currency exchange are included in other gains or losses.

13.- Employee benefits

The liability for obligations for employee benefits is related to what is established by the government for payments related to the entity's workers, which are considered as short-term benefits.

The cost of all employee benefits to which they are entitled as a result of services rendered to the entity during the reporting period are recognized as a liability, after deducting the amounts that have been paid directly to the employees. or as a contribution to a pension fund; If the amount paid exceeds the contributions to be made according to the services provided up to the date reported, that excess will be recognized as an asset to the extent that the advance payment will lead to a reduction in payments. to be made in the future or to a cash reimbursement and are recognized as an expense, unless they are recognized as part of the cost of an asset.

The Company records short-term benefits, such as salary, vacations, bonuses and others, on an accrual basis.

14.- Provisions

A provision liability is recognized only when there is a present obligation as a result of a past event and it is probable that you will have to dispose of economic resources to cancel the obligation, and the amount of the obligation can be reliably estimated. The liability is measured as the best estimate of the amount required to cancel the obligation on the date reported. Any adjustment to the amounts previously recognized will be recognized in results. When a provision is measured by the present value of the amount expected to be required to pay the obligation, a financial expense will be recognized in the results of the period in which it arises.

If the effect of the value of money over time is significant, provisions are discounted using a pre-tax interest rate that reflects, where appropriate, the specific risks of the liability. When discounted, the increase in the provision due to the passage of time is recorded as a financial expense.

Provisions for labor, legal and tax contingencies, contracts with third parties or others, depending on the circumstances, are estimated and recorded based on the opinion of the legal advisors, which are considered probable and reasonably quantifiable.

15.- Contingent Liabilities

A contingent liability is: (i) a possible obligation, arising as a result of past events and whose existence must be confirmed only by the occurrence, or in its case the non-occurrence, of one or more uncertain future events that are not entirely under control of the Company; or (ii) a present obligation, arising from past events, that has not been recognized in accounting because: (a) it is unlikely that an outflow of resources that incorporate economic benefits will be required to satisfy it; or (2) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is not recognized in the financial statements, but is reported in notes, except in the event that the possibility of an eventual outflow of resources to settle it is remote. For each type of contingent liability at the respective closing dates of the periods reported, the Company discloses

(i) a brief description of the nature of the same and when possible, (ii) an estimate of its financial effects; (iii) an indication of uncertainties related to the amount or timing of the corresponding outflows of resources; and (iv) the possibility of obtaining eventual refunds.

16.- Contingent Assets

A contingent asset is an asset of a possible nature, arising from past events, the existence of which must be confirmed only by the occurrence, or in its case by the non-occurrence, of one or more uncertain events in the future, which are not entirely under the control of the Company.

A contingent asset is not recognized in the financial statements, but is reported in notes, but only in the event that the entry of economic benefits is probable. For each type of contingent asset at the respective closing dates of the periods reported, the Company discloses (i) a brief description of its nature and, when possible, (ii) an estimate of its financial effects. In accordance with section 21 of IFRS SMEs, the Company's policy is not to disclose in detail the information related to disputes with third parties related to situations involving provisions, contingent liabilities and contingent assets, to the extent that such information seriously damages the position of the company. In these cases, the Company provides information of a generic nature and explains the reasons that have led to such a decision.

17.- Cash and cash equivalents

They are considered cash equivalents, short-term, highly liquid and freely available investments that, without prior notice or relevant cost, can easily be converted into a certain amount of cash, are subject to a negligible risk of changes in value whose maturity maximum is three months from the date of acquisition and whose main destination is not that of investment or similar, but that of cancellation of short-term commitments.

Cash and short-term deposits in the statement of financial position include cash in banks and in cash and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above, net of outstanding bank overdrafts.

18.- Functional currency

The management of COMVIVA TECHNOLOGIES COLOMBIA considers that the Colombian peso is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions, and for this reason, the financial statements are presented in Colombian pesos as their functional currency.

19.- Classification of current and non-current assets or liabilities

The Company presents its assets and liabilities in the statement of financial position according to its current or non-current classification.

An asset or liability is classified as current when:

- It is expected to be carried out, it is expected to pay it, or it is intended to consume it, in the normal course of business.
- It is expected to realize the asset or pay the liability, within the twelve months following the date of the year in which it is reported, or
- The asset is cash and cash equivalents.

The Company classifies the rest of its assets and liabilities as non-current

20.- Owners Equity

It is measured at the value of the cash or other resources received or to be received, net of the direct costs of issuance of the equity instruments, is made up of subscribed and paid-in capital, earnings for the year and accumulated earnings, and appreciation surplus.

21.- Cash Flow. -

a) The cash flow statement was done using the indirect method.

b) In addition to the Además de las fuentes y usos de inversión y financiación, relacionadas con los activos y los pasivos, se incluyen en esta categoría los siguientes conceptos (que no se clasifican como flujo de operación);

c) The following items are not classified as operating flows:

   i. Interest expense on loans to acquire eligible assets, whether they have been recognized as expenses or capitalized,

   ii. Dividends payed out,

   iii. Cash used for improvements on third party property, construction and commissioning

   iv. Capital payments on loans,

   v. Those from one time gains on the sale of fixed assets.

22.- Exchange rate differences. –

REGULATION: Art. 269, 285, y 288 ET

Art. 269. Asset value of assets in foreign currency. The value of assets in foreign currency are estimated in local currency at the time of their initial recognition at the representative market exchange rate, less credits or payments valued at the same representative market exchange rate of the initial recognition.

Art. 285. Liabilities in foreign currency. The value of liabilities in foreign currency are estimated in local currency at the time of their initial recognition at the representative market exchange rate, less credits or payments measured at the same representative market exchange rate of the initial recognition.

Art. 288. Adjustments due to exchange rate difference. Income, costs, deductions, assets and liabilities in foreign currency will be measured at the time of their initial recognition at the representative market exchange rate.

In accounting under IFRS, the exchange rate difference has two components:

1. Realized exchange rate difference: Which is the one determined between the date of origin of the asset or liability in foreign currency and the date on which the partial or total payment is received or made.
2. Mark to market or unrealized exchange rate difference: That corresponds to the one calculated with the balances of assets and liabilities in foreign currency that as of December 31 of each year remain with a balance.

COMVIVA TECHNOLOGIES COLOMBIA, By policy, it was defined that the mark to market will be made based on the last Thursday of each month, and the exchange rate difference with the TRM of that day is calculated, except for the annual closing of December 31 of each year, in which case the TRM of December 31st is used. December, and the annual closing of the INDIAN year that culminates on March 31st.

23.- Events that occurred after the accounting closure of the previous period:

23.1. Body that approves the financial statements (NIC 10.17; NIIF PYMES 32.9): The financial statements were authorized for publication by the General Assembly.

23.2. Approval date of the financial statements (NIC 10.17, 10.18; NIIF PYMES 32.9): The financial statements were approved on 01-04-2021 and do not reflect events that occurred after that date, as stated in the Management Letter to the External Auditors (statutory audit).

23.3. Inability of partners, shareholders or similar to change the figures in the financial statements (NIC 10.17, 10.18; NIIF PYMES 32.9): Once the financial statements are approved, the General Assembly does not have the power to make or order changes in the figures or other data that comprise them.

23.4. Post-closing events that do not involve adjustments (NIC 10.21, NIIF PYMES 32.10):

- There are no post-closing events that require significant adjustments or disclosures

Note 4.- COVID19 effects

On the impact of the coronavirus on the entity: “Note 4. Events that occurred after the reporting period On March 11, 2020, after the reporting period, the World Health Organization –WHO– declared the spread of COVID 19 as a pandemic. Subsequently, on March 12, 2020, the national government declared “National Health Emergency and Quarantine” as a consequence of the spread of COVID 19 in Colombia, issuing a series of provisions to contain its spread; such as: exceptional traffic restriction measures, the drastic reduction of activities and the issuance of economic regulations, among others; that are expected to significantly affect the country’s economic activity and markets in general. As of

the date of issuance of the financial statements, the duration of the aforementioned exceptional measures and its effects is unknown on the financial situation, the result of operations and cash flows of the entity. As these provisions are events subsequent to the reporting period, they are considered as subsequent events, which do not require adjustment and do not generate an impact on the recognition and measurement of assets and liabilities at the date of preparation of the financial statements. Likewise, the effects that these events could have on the financial situation, the result of the operations and cash flows of the entity in the future cannot be reasonably estimated.

JOSE ANTONIO GONZALEZ C.

Fiscal Reviewer

T.P. 12.423-T

COMVIVA TECHNOLOGIES (AUSTRALIA) PTY LIMITED

Directors:
Amit Sanyal
Gregory John Armstrong

Registered Office:
Level 16 & 17,
9 Castlereagh Street,
Sydney NSW 2000

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The directors submit their report together with the management statements of Comviva Technologies (Australia) Pty Ltd ("The Company"), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies B.V., Netherlands is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Mr. Amit Sanyal

Mr. Gregory John Armstrong

On Behalf of the board of Directors

Amit Sanyal	**Gregory John Armstrong**
Director	**Director**

COMVIVA TECHNOLOGIES (AUSTRALIA) PTY LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

Amount in AUD

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment		-	-
	(b) Other Intangible assets		-	-
	(c) Financial Assets			
	(i) Investments	3	6,073,995	6,073,995
	(d) Advance Income tax (net)		62,990	-
	(e) Deferred tax assets		22,397	-
	Total non-current assets		**6,159,382**	**6,073,995**
B	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables		-	-
	(ii) Cash and cash equivalents	4	136,985	121,415
	(b) Other current assets	5	3,552,096	3,548,239
	Total current assets		**3,689,081**	**3,669,654**
	TOTAL ASSETS		**9,848,463**	**9,743,649**
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		10,000	10,000
	(b) Other Equity	6	(2,045,114)	(7,169,660)
	Equity attributable to equity holders of the Company		**(2,035,114)**	**(7,159,660)**
B	**Liabilities**			
1	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	7	6,827,189	8,532,766
	(ii) Trade Payables			
	(iii) Others financial liabilities	8 (i)	-	3,530,000
	Total non-current liabilities		**6,827,189**	**12,062,766**
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings		-	
	(ii) Trade Payables	9	3,370,456	3,478,239
	(iii) Others financial liabilities	8 (ii)	1,685,932	1,290,208
	(b) Other current liabilities	10	-	72,096
	Total current liabilities		**5,056,388**	**4,840,543**
	TOTAL EQUITY AND LIABILITIES		**9,848,463**	**9,743,649**
C	**See accompanying notes forming part of the financial statements**	3-12		

For and on behalf of Comviva Technologies (Australia) Pty Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in AUD

	Particulars	Note No.	For the year ended March 31, 2021		For the year ended March 31, 2020	
I.	Revenue from operations			-		-
II.	Other income	11		5,347,083		-
III.	**Total income (I+II)**			**5,347,083**		**-**
IV.	**Expenses**					
	(a) Employee benefits expense			-		-
	(b) Subcontracting cost			-		-
	(a) Finance costs			214,725		335,136
	(b) Depreciation and Amortization expense			-		-
	(c) Other expenses	12		100,926		4,954,617
	Total expenses			**315,651**		**5,289,753**
V.	**Profit/(Loss) before tax**			5,031,432		(5,289,753)
VI.	**Tax expenses**					
	(a) Current tax		(70,717)		-	
	(b) Deferred tax		(22,397)		-	
				(93,114)		-
VII.	**Profit/(Loss) after tax**			5,124,546		(5,289,753)
VIII.	**See accompanying notes forming part of the financial statements**	3-12				

For and on behalf of Comviva Technologies (Australia) pty Limited

Note 3 - Non-current investments :

Amount in AUD

Particulars	As at 31-Mar-21	As at 31-Mar-20
(a) In subsidiaries		
Emagine International pty Ltd	9,753,995	9,753,995
Less : Provision for impairment	(3,680,000)	(3,680,000)
Total	**6,073,995**	**6,073,995**

Note 4 - Cash and cash equivalents :

Amount in AUD

Particulars	As at 31-Mar-21	As at 31-Mar-20
Balances with banks:		
- In current accounts	136,985	121,415
Total	**136,985**	**121,415**

Note 5 - Other Assets :

0ther current assets

Amount in AUD

Particulars	As at 31-Mar-21	As at 31-Mar-20
Inter entity receivable	-	-
Considered good	3,478,239	3,478,239
Considered doubtful	-	-
	3,478,239	**3,478,239**
Provision for doubtful advances	-	
	3,478,239	**3,478,239**
Others		
- Balance with Government authorities	-	-
- Loans and advances to employees	-	70,000
Prepaid expenses	3,857	-
Advance to suppliers	70,000	-
	3,552,096	**3,548,239**

Note 6 - Other Equity :

Amount in AUD

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Surplus in the statement of profit and loss				
Opening balance	(7,169,660)		(1,879,907)	
Add: profit/(loss) for the period/year	5,124,546		(5,289,753)	
Closing balance		(2,045,114)		(7,169,660)
Total		**(2,045,114)**		**(7,169,660)**

Note 7 -Borrowings :

(i) Long-term borrowings

Amount in AUD

Particulars	**As at 31-Mar-21**	**As at 31-Mar-20**
Loan To/From Intercompany/Associates	6,827,189	8,532,766
Total	**6,827,189**	**8,532,766**

Note 8 - Other Financials liabilities:

(i) Long term Financial Liabilities

Amount in AUD

Particulars	**As at 31-Mar-21**	**As at 31-Mar-20**
Contractual Obligation	-	3,530,000
Total	**-**	**3,530,000**

(ii) Short term Financial Liabilities

Amount in AUD

Particulars	**As at 31-Mar-21**	**As at 31-Mar-20**
Inter Company Receivable /Payable (Net)	1,685,932	1,290,208
Payables on purchase of property,plant and equipment	-	-
Interest accrued but not due	-	-
Total	**1,685,932**	**1,290,208**

Note 9 - Trade payables :

Amount in AUD

Particulars	**As at 31-Mar-21**	**As at 31-Mar-20**
Expenses payables other than Accrued Salaries and Benefits	3,370,456	3,478,239
Accrued Salaries and Benefits	-	-
Total	**3,370,456**	**3,478,239**

Note 10 - Other Current liabilities :

Amount in AUD

Particulars	**As at 31-Mar-21**	**As at 31-Mar-20**
Statutory remittances	-	72,096
Total	**-**	**72,096**

Note 11 - Other Income

Amount in AUD

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Exchange gain	1,817,083	-
Sundry Balance written off	3,530,000	-
Total	**5,347,083**	**-**

Note 12 - Operating and other expense:

Amount in AUD

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Rent	23,194	-
Legal and Professional Charges	1,815	-
Exchange gain/loss (net)	-	1,273,969
Miscellaneous expenses	75,917	648
Provision for Impairment	-	3,680,000
Total	**100,926**	**4,954,617**

EMAGINE INTERNATIONAL PTY LTD.

Directors:
Amit Sanyal
Gregory John Armstrong

Registered Office:
Level 16 & 17,
9 Castlereagh Street,
Sydney NSW 2000

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The directors submit their report together with the management statements of Emagine International Pty Ltd ("The Company"), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies (Australia) Pty Ltd, Australia is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Mr. Amit Sanyal

Mr. Gregory John Armstrong

On Behalf of the board of Directors

Amit Sanyal	**Gregory John Armstrong**
Director	**Director**

BALANCE SHEET AS AT MACRH 31, 2021

Amount in AUD

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment	3	11,911	48,768
	(b) Financial Assets			
	(i) Other financial assets	4(i)	8,966	-
	(c) Advance Income tax (net)		-	18,737
	(d) Deferred tax assets	5	272,267	148,866
	(e) Other non-current assets	6(i)	-	-
	Total non-current assets		**293,144**	**216,371**
B	**Current Assets**			
	(a) Financial Assets			
	(i) Investments	7	-	-
	(ii) Trade receivables	8	5,260,931	5,293,036
	(iii) Cash and cash equivalents	9	1,548,940	1,440,554
	(iv) Other financial assets	4(ii)	737,834	549,075
	(b) Other current assets	6(ii)	21,420	38,313
	Total current assets		**7,569,125**	**7,320,978**
	TOTAL ASSETS		**7,862,269**	**7,537,349**
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		1,906,836	1,906,836
	(b) Other Equity	10	3,683,588	2,921,194
			5,590,424	**4,828,030**
B	**Liabilities**			
1	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	11	787,753	984,550
	(ii) Other Financial Liabilities	12(i)	-	-
	(b) Provisions		-	-
	(c) Deferred Tax liabilities		-	-
	Total non-current liabilities		**787,753**	**984,550**
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	13	792,219	996,735
	(ii) Other Financial Liabilities	12(ii)	-	-
	(b) Other current liabilities	14	182,322	264,553
	(c) Provisions	15	509,551	463,481
	(d) Current tax liabilities (Net)		-	
	Total current liabilities		**1,484,092**	**1,724,769**
	TOTAL EQUITY AND LIABILITIES		**7,862,269**	**7,537,349**
C	**See accompanying notes forming part of the financial statements**	3-19		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in AUD

	Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I.	Revenue from operations	16	4,127,373	3,921,871
II.	Other income	17	562	86,217
III.	**Total income (I+II)**		**4,127,935**	**4,008,088**
IV.	**Expenses**			
	(a) Employee benefits expense	18	2,383,293	2,537,185
	(b) Subcontracting cost		16,000	-
	(c) Finance costs		87,883	102,627
	(d) Depreciation and Amortization expense	3	30,670	134,966
	(e) Other expenses	19	820,891	1,273,711
	Total expenses		**3,338,737**	**4,048,489**
V.	**Profit/(Loss) before tax**		789,198	(40,402)
VI.	**Tax expenses**			
	(a) Current tax		150,206	-
	(b) Deferred tax		(123,402)	44,037
			26,804	44,037
VII.	**Profit/(Loss) after tax before Minority interest**		**762,394**	**(84,438)**
VIII.	See accompanying notes forming part of the financial statements	3-19		

Note 3 - Property, Plant and Equipment

Amount in AUD

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2020	Additions during the Period	Disposals during the period	As at March 31, 2021	As at 1st April, 2020	For the period	On disposal for the period	As at March 31, 2021	As at March 31, 2021	As at 31st March, 2020
Leased Building	138,557	-	-	138,557	138,557	-	-	138,557	0	0
Computers	70,108	3,692.10	-	73,800	57,639	8,380	-	66,019	7,781	12,469
Right of Use for Office Premises	155,341	-	155,341	-	124,681	20,780	145,461	-	-	30,659
Office Equipments	38,760	-	9,620	29,140	33,121	1,509	9,620	25,010	4,131	5,640
	402,766	**3,692**	**164,961**	**241,497**	**353,998**	**30,670**	**155,081**	**229,586**	**11,911**	**48,768**

Note 4 - Other Financial Assets :

(i) Other Financial assets : Non Current

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Security deposits	8,966	-
Total	**8,966**	**-**

(ii) Other Financial assets : Current

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Security deposits	-	-
Inter entity receivable	737,834	549,075
Total	**737,834**	**549,075**

Note 5 - Deferred tax assets (net) :

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Break up of deferred tax assets		
Others	272,267	148,866
Total	**272,267**	**148,866**

Note 6 - Other Assets :

(i) 0ther non current assets

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
- Capital advances		
- Considered good	-	-
- Considered doubtful	-	-
- Provision for doubtful advances	-	-
Total	-	-

(ii) Other current assets

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
- Advance to suppliers		
Considered good	12,197	5,702
Considered doubtful	-	
	12,197	5,702
Provision for doubtful advances	-	
	12,197	5,702
Prepaid expenses	9,223	14,889
Amount due from Intercompany/Associates	-	-
Loans and advance to employees	-	17,722
	21,420	**38,313**

Note 7- Current investments :

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Investments in HMSL	-	-
Total	**-**	**-**

Note 8 - Trade receivables :

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Trade Receivables (Unsecured)		
- Considered good	5,260,931	5,293,036
- Considered doubtful	-	-
	5,260,931	5,293,036
Less: Provision for doubtful trade receivables	-	-
Total	**5,260,931**	**5,293,036**

Note 9 - Cash and cash equivalents :

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Cash on hand	-	-
- In current accounts	1,548,940	1,440,554
Total	1,548,940	1,440,554

Note 10 - Other Equity :

Amount in AUD

Particulars		As at March 31,2021		As at March 31,2020
Surplus in the statement of profit and loss				
Opening balance	2,921,194		3,005,874	
Transition inpact of Ind As 116	-		(242)	
Add: profit/(loss) for the period/year	762,394		(84,438)	
Closing balance		3,683,588		2,921,194
Total		**3,683,588**		**2,921,194**

Note 11 -Borrowings :

Long-term borrowings

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Unsecured		
-Loan To/From Intercompany/Associates	787,753	984,550
-From Holding Company -Tech Mahindra Nigeria	-	-
Total	**787,753**	**984,550**

Note 12 - Other Financial Liabilities :

(i) Other Financial Liabilities : Non Current

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Contingent Contractual Obligation	-	-
Total	**-**	**-**

(ii) Other Financial Liabilities : Current

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Inter Entity Payable - Comviva Nigeria	-	-
-Due to Intercompany/Associates	-	-
Interest Accrued not due	-	-
Total	**-**	**-**

Note 13 - Trade payables :

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Expenses payables other than Accrued Salaries and Benefits	550,130	909,242
Accrued Salaries and Benefits	242,090	87,493
Total	**792,219**	**996,735**

Note 14 - Other current liabilities :

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Unearned revenue	94,558	45,124
Statutory remittances	87,765	202,930
Advance from customers	-	16,499
Total	**182,322**	**264,553**

Note 15 -Provisions :

Short-term provisions

Amount in AUD

Particulars	As at March 31,2021	As at March 31,2020
Provision for employee benefits		
-Compensated absences	498,952	454,481
	498,952	454,481
Warranty Provision	10,599	9,000
Total	**509,551**	**463,481**

Note 16 - Revenue from operations :

Amount in AUD

Particulars		For the Year ended March 31, 2021	For the Year ended March 31, 2020
Income from Comviva Product and related managed support			
Revenue sharing arrangements		4,127,373	3,921,871
Total		**4,127,373**	**3,921,871**

Note 17 - Other income :

Amount in AUD

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Miscellaneous Income	(0)	0
Interest Income- Intercompany	562	86,217
Loss on sale of non-current assets	-	-
Provisions Written back	-	-
Total	**562**	**86,217**

Note 18 - Employee benefits expense :

Amount in AUD

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, wages and bonus	2,195,414	2,297,891
Contribution to provident and other funds	187,879	239,294
Total	**2,383,293**	**2,537,185**

Note 19 - Operating and other expense:

Amount in AUD

Particulars		For the Year ended March 31, 2021	For the Year ended March 31, 2020
Rent		12,181	24,079
Rates and taxes		8,987	255,504
Insurance		4,627	10,488
Repairs and maintenance:			
Machinery and computers	106		
Building	2,178		
		2,284	6,385
Advertising and sales promotion		8,967	20,194
Exchange loss (net)		281,672	132,024
Communication costs		14,722	29,401
Legal and professional fees		39,422	89,571
Travelling		15,200	77,594
Miscellaneous expenses		432,829	628,471
Total		**820,891**	**1,273,711**

COMVIVA TECHNOLOGIES NIGERIA LIMITED

Directors:
Mr. Oluwaseun Olusegun Oridota
Mr. Anil Kumar Krishnan
Mr. Michael Ehijiator Eiremiokhae (Also Cheif Executive Officer)

Chief Financial Officer
Mr. Olabisi Fayombo - External CFO

Registered No:
943437

Registered Office:
No. 5 Isaac John Street, GRA,
Ikeja, Lagos- Nigeria

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The Directors submit their report together with the Management Statements of Comviva Technologies Nigeria Limited ("The Company"), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Mr. Oluwaseun Olusegun Oridota

Mr. Anil Kumar Krishnan

Mr. Michael Ehijiator Eiremiokhae

On behalf of the Board of Directors,

Oluwaseun Olusegun Oridota **Director**	**Anil Kumar Krishnan** **Director**	**Michael Ehijiator Eiremiokhae** **Director**

COMVIVA TECHNOLOGIES NIGERIA LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

Amount in NGN

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment	1	4,154,002	9,374,354
	(b) Financial Assets			
	(i) Other financial assets	2(i)	950,000	100,000
	(c) Advance Income tax (net)		58,724,537	182,993,747
	(d) Deferred tax assets	3	12,718,429	19,087,871
	(e) Other non-current assets	4(i)	272,582	1,429,962
	Total non-current assets		**76,819,550**	**212,985,934**
B	**Current Assets**			
	(a) Financial Assets			
	(i) Investments	5	-	-
	(ii) Trade receivables	6	83,195,873	147,931,916
	(iii) Cash and cash equivalents	7	653,449,131	277,362,033
	(iv) Other financial assets	2(ii)	-	127,616
	(b) Other current assets	4(ii)	16,327,186	17,849,643
	Total current assets		**752,972,190**	**443,271,208**
	TOTAL ASSETS		**829,791,740**	**656,257,142**
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital	8	683,916,187	683,916,187
	(b) Other Equity	9	(769,733,415)	(1,282,734,322)
			(85,817,228)	**(598,818,135)**
B	**Liabilities**			
1	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	10	264,569,553	257,381,910
	(ii) Other Financial Liabilities	11(i)	-	-
	Total non-current liabilities		**264,569,553**	**257,381,910**
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Trade Payables	12	382,644,208	311,670,669
	(ii) Other Financial Liabilities	11(ii)	143,098,203	543,879,250
	(b) Other current liabilities	13	125,297,004	142,143,449
	Total current liabilities		**651,039,415**	**997,693,368**
	TOTAL EQUITY AND LIABILITIES		**829,791,740**	**656,257,142**
C	**See accompanying notes forming part of the financial statements**	1-17		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in NGN

Particulars		Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I.	**Revenue from operations**	14	805,739,043	760,113,139
II.	Other income	15	445,725,178	28,781,879
III.	**Total income (I+II)**		**1,251,464,221**	**788,895,018**
IV.	**Expenses**			
	(a) Employee benefits expense	16	242,906,326	270,816,280
	(b) Subcontracting cost		62,276,544	47,145,722
	(c) Finance costs		22,963,450	23,704,114
	(d) Depreciation and Amortization expense	1	4,133,514	9,929,341
	(e) Other expenses	17	160,660,026	244,758,846
	(f) Loss on sale of investment		-	1,055,174,635
	Total expenses		**492,939,860**	**1,651,528,938**
V.	**Profit/(Loss) before tax**		758,524,361	(862,633,920)
VI.	**Tax expenses**			
	(a) Current tax		239,154,013	108,593,497
	(b) Deferred tax		6,369,441	-
			245,523,454	108,593,497
VII.	**Profit/(Loss) after tax before Minority interest**		**513,000,907**	**(971,227,417)**
VII.	**Profit/(loss) for the Twelve Months**		**513,000,907**	**(971,227,417)**
VIII.	See accompanying notes forming part of the financial statements	1-17		

For and on behalf of Comviva Technologies Nigeria Limited

Note 1 - Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2020	Additions during the Period	Disposals during the period	As at March 31, 2021	“As at 1st April, 2020	For the period	On disposal for the period	As at March 31, 2021	As at March 31, 2021	As at 31st March, 2020
Leased Building	4,116,686	-	4,116,686	-	4,116,686	-	(4,116,686)	-	-	-
Computers	93,371,328	-	1,499,328	91,872,000	88,034,589	2,888,973	(2,959,118)	87,964,444	3,907,555	5,336,739
Networking	9,317,128	-	8,393,653	923,475	9,317,128	-	(8,393,653)	923,475	-	-
Office Equipments	15,636,002	-	12,792,675	2,843,327	13,170,871	977,385	(11,551,376)	2,596,880	246,447	2,465,131
Furniture	26,106,556	-	26,106,556	-	24,534,071	267,156	(24,801,228)	-	-	1,572,484
	148,547,699	**-**	**52,908,898**	**95,638,801**	**139,173,346**	**4,133,514**	**(51,822,061)**	**91,484,800**	**4,154,002**	**9,374,354**

Note 2 - Other Financial Assets :

(i) - Other Financial assets : Non Current

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Security deposits	950,000	100,000
Total	**950,000**	**100,000**

(ii) - Other Financial assets : Current

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Interest accrued	-	127,616
Total	**-**	**127,616**

Note 3 - Deferred tax assets (net) :

Particulars	As at	
	March 31,2021	March 31, 2020
Break up of deferred tax assets		
Others	12,718,429	19,087,871
Total	**12,718,429**	**19,087,871**

Note 4 - Other Assets :

(i) Other non current assets

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Capital advances		
- Considered good	272,582	1,429,962
- Considered doubtful		
	272,582	1,429,962
- Provision for doubtful advances	-	-
Total	**272,582**	**1,429,962**

(ii) Other current assets

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
- Advance to suppliers		
Considered good	8,675,613	6,306,896
Considered doubtful	-	-
	8,675,613	6,306,896
Provision for doubtful advances	-	-
	8,675,613	6,306,896
Prepaid expenses	4,265,733	6,359,274
Amount due from Intercompany/Associates	-	-
Consideration receivable	-	30,984
Loans and advance to employees	3,385,840	5,152,489
	16,327,186	**17,849,643**

Note 5- Current investments :

Amount in NGN

Particulars	As at	
	March 31,2021	**March 31, 2020**
Investments in HMSL	-	-
Total	**-**	**-**

Note 6 - Trade receivables :

Amount in NGN

Particulars	As at	
	March 31,2021	**March 31, 2020**
Trade Receivables (Unsecured)		
- Considered good	83,195,873	147,931,916
- Considered doubtful		
	83,195,873	147,931,916
Total	**83,195,873**	**147,931,916**

Note 7- Cash and cash equivalents :

Amount in NGN

Particulars	As at	
	March 31,2021	**March 31, 2020**
Cash on hand	-	-
- In current accounts	653,449,131	277,362,033
Total	**653,449,131**	**277,362,033**

Note 8 -Equity Share capital :

Particulars	As at			
	March 31,2021		**March 31, 2020**	
(a) Authorised :				
Equity shares of N 1 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Equity shares of N 1 each fully paid up	683,916,187	683,916,187	683,916,187	683,916,187
Total	**683,916,187**	**683,916,187**	**683,916,187**	**683,916,187**

Note 9 - Other Equity :

Particulars	As at			
	March 31,2021		**March 31, 2020**	
Surplus in the statement of profit and loss				
Opening balance	(1,282,734,322)		(311,506,905)	
Add: profit/(loss) for the period/year	513,000,907		(971,227,417)	
Closing balance		(769,733,415)		(1,282,734,324)
Total		**(769,733,415)**		**(1,282,734,324)**

Note 10 -Borrowings :

Long-term borrowings

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Unsecured		
-Loan To/From Intercompany/Associates	159,569,553	152,381,910
-From Holding Company -Tech Mahindra Nigeria	105,000,000	105,000,000
Total	**264,569,553**	**257,381,910**

Note 11 - Other Financial Liabilities :

(i) Other Financial Liabilities : Non Current

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Contingent Contractual Obligation	-	-
Total	**-**	**-**

(ii) Other Financial Liabilities : Current

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Due to Intercompany/Associates	82,517,868	496,462,849
Interest Accrued not due	60,580,335	47,416,401
Total	**143,098,203**	**543,879,250**

Note 12 - Trade payables :

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Expenses payables other than Accrued Salaries and Benefits	356,604,979	295,052,770
Accrued Salaries and Benefits	26,039,229	16,617,899
Total	**382,644,208**	**311,670,669**

Note 13 - Other current liabilities :

Amount in NGN

Particulars	As at	
	March 31,2021	March 31, 2020
Statutory remittances	11,827,495	20,138,407
Advance from customers	113,469,509	122,005,042
Total	**125,297,004**	**142,143,449**

Note 14 - Revenue from operations :

Amount in NGN

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Income from Comviva Product and related managed support		
Revenue sharing arrangements	805,739,043	760,113,139
Total	**805,739,043**	**760,113,139**

Note 15 - Other income :

Amount in NGN

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Miscellaneous Income	445,725,178	16,068
Interest Income- Intercompany	-	27,918,126
Provisions Written back	-	847,685
Total	**445,725,178**	**28,781,879**

Note 16. Employee benefits expense :

Amount in NGN

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, wages and bonus	234,564,919	256,744,503
Contribution to provident and other funds	8,341,407	14,071,777
Total	**242,906,326**	**270,816,280**

Note 17. Operating and other expense:

Amount in NGN

Particulars		For the Year ended March 31, 2021	For the Year ended March 31, 2020
Rent		11,669,028	12,959,954
Rates and taxes		14,374,315	1,367,349
Insurance		16,165,272	6,133,632
Repairs and maintenance:			
Machinery and computers	284,734		58,500
Building	4,052,325		10,513,615
		4,337,059	10,572,115
Advertising and sales promotion		4,188,531	2,807,359
Exchange loss (net)		43,214,815	129,020,200
Communication costs		4,137,315	7,200,589
(Profit)/Loss on Sale of property,plant and equipment		1,589,163	
Legal and professional fees		23,206,518	29,746,082
Travelling		3,716,175	16,280,934
Miscellaneous expenses		34,061,835	28,670,632
Total		**160,660,026**	**244,758,846**

COMVIVA TECHNOLOGIES (ARGENTINA) S.A.

Board of Directors:

President and Chairman
Maximiliano Gustavo Knüll

Vice Chairman
Jose Taravilse

Regular Director
Ashish Kumar

Alternate Director
Manoranjan Mohapatra

Registered No:
CUIT : 30-64627917-4

Registered Office:
Av. Corrientes 880, 11th Floor City of Buenos Aires
Argentina

DIRECTOR'S REPORT FOR THE YEAR ENDED 30TH JUNE, 2020

The Directors submit their report together with the Audited Financials of Comviva Technologies (Argentina) S.A. ("The Company"), for the year ended 30th June, 2020.

Principal Activity

The principal activities are providing information technology services and telecommunication solutions.

Review of Business

The results for the year are set out on page herein of the financial statements.

Directors

The following Directors served during the year:

1. Maximiliano Gustavo Knüll
2. Jose Taravilse
3. Ashish Kumar
4. Manoranjan Mohapatra

On behalf of the Board of Directors,

Maximiliano Gustavo Knüll	Jose Taravilse	Ashish Kumar	Manoranjan Mohapatra
President and Chairman	Vice Chairman	Regular Director	Alternate Director

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

COMVIVA TECHNOLOGIES (ARGENTINA) S.A.

CUIT (Individual Taxpayer Identification) N°: 30-64627917-4

Legal domicile: Av. Corrientes 880, 11th Floor

City of Buenos Aires - Argentina

Report on financial statements

Identification of the financial statements object of the audit

We have audited the attached financial statements of COMVIVA TECHNOLOGIES (ARGENTINA) S.A. (from now on, indistinctly mentioned "COMVIVA TECHNOLOGIES (ARGENTINA) S.A." or the "Partnership"), which consists of the statement of financial condition as of June 30th 2020, income statement, net worth development and cash flow of the ended fiscal year, as well as a summary of the significant accounting policies and other explanatory information included in notes 1 to 9 and annexes I to IV.

Figures and other information of the fiscal year ended on June, 30th 2019, restated in June of 2020 currency according to what was pointed out in note 1.2 to the attached financial statements, are part of the financial statements above mentioned and it´s presented to be exclusively interpreted related to the figures and the information of the current fiscal year.

Responsibilities of the Board of Directors in relation to financial statements

The Board of Directors of the Partnership is responsible for the preparation and fair presentation of the attached financial statements according to Argentine professional accounting standards and of the internal control needed to allow the preparation of financial statements free from significant misstatements.

Responsibility of auditors

Our responsibility entails expressing an opinion about the attached financial statements based on our audit. We have carried out our assessment in accordance with the audit standards of the Technical Resolution N° 37 of the Argentine Federation of Professional Councils of Economic Sciences. Such standards require that we comply with the ethical requirements, as well as plan and execute the audit to determine with reasonable certainty that the financial statements are free from significant misstatements.

An audit entails the application of procedures to obtain evidence about the figures and information submitted in the financial statements. The selected procedures depend on the professional judgement of the auditors, including risk assessment of significant misstatements in the financial statements. When risk assessing, the auditors take into account the corresponding internal control for the preparation and fair presentation by the Partnership of the financial statements, so as to design the proper audit procedures for the circumstances and not to express an opinion about the efficiency of the internal control of the Partnership. An audit also includes the assessment of the adequacy of the accounting policies applied and the reasonability of the accounting estimates made by the Board of Directors of the Partnership, as well as the assessment of the overall presentation of the financial statements.

We believe that the evidence that we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

Opinion

In our opinion, the attached financial statements reasonably present, in all its significant aspects, the financial condition of COMVIVA TECHNOLOGIES (ARGENTINA) S.A. as of June 30th 2020, as well as its results, the evolution of its net worth and cash flow corresponding to the ended fiscal year on that date, according to the Argentine professional accounting standards

Other matters

The financial statements of the fiscal year ended on June 30th 2019 were audited by other professional, who has issued an unqualified report on October 22nd, 2019.

Report on other legal and regulatory requirements

a) As explained in note 9 the attached financial statements emerged from the accounting records of the Partnership maintained, in its formal aspects, in accordance with the legal standards, except that:

   i) the inventory and balance sheet book, the information of the fiscal year ended on June 30th 2020; and,

   ii) the journal, book entries of the month of June 2020.

b) As set forth in the financial statements of the Partnership, the receipt accrual liability as of June 30th 2020 in favor of the Argentine Integrated Social Security System under retirement payments and contributions amounted to 8,401,377, not claimable at that date.

c) We have applied the procedures on prevention of criminal assets laundering and financing of terrorism set forth in the Resolution N°420/11 of the Argentine Federation of Professional Councils of Economic Sciences.

City of Buenos Aires, October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.

(Trading Companies Registry C.P.C.E.C.A.B.A. V° 1 – P° 36)

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LEANDRO MANUEL JUSTO (Partner)

Public Accountant (U.B.A.) C.P.C.E.C.A.B.A. - V° 373 – P° 059

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COMVIVA TECHNOLOGIES (ARGENTINA) S.A.

Legal domicile:	Av. Corrientes 880 11th Floor - City of Buenos Aires
Main activities of the Partnership:	Consulting services delivery, software development and marketing backup.
Date of entry of the Bylaws in the Public Registry of Commerce:	October 4th 1991
Date of entry of last amendment in the Public Registry of Commerce	November 15th 2018
Registration in the Superintendence of Corporations:	7990 - B. 110 - B° “A” of P.L.C
Date of termination set for the terms of duration of the Partnership:	October 3rd 2090
C.U.I.T (Individual Taxpayer Identification) N°:	30-64627917-4
Parent company:	Comviva Technologies B.V.
Legal domicile:	Keizersfracht 62, 1015 CS, Amsterdam - Netherland
Main activity:	Finance and administrate partnerships and offer and provide services
Contribution rate of the parent company:	99.96%

FISCAL YEAR N° 29

STARTED ON JULY 1ST 2019

FINANCIAL STATEMENTS AS OF JUNE 30TH 2020

(presented comparatively for the fiscal year ended on June, 30th 2019.) (in pesos)

COMPOSITION OF CAPITAL

(note 4)

	…2020…	…2019…
Amount of registered common shares at nominal value of $1 each, having 1 vote per share	**2,255,800**	2,255,800

Duly signed for identification purposes with our report dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30TH 2020

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

	Ref.	...2020...	...2019...
ASSETS			
CURRENT ASSETS			
Cash and banks	2.a)	**31,430,540**	27,763,236
Sales credits	2.b)	**214,886,019**	177,723,143
Other credits	2.c)	**6,468,408**	14,995,503
Other assets	2.d)	**215,510**	297,403
Total current assets		**253,000,477**	220,779,285
NON-CURRENT ASSETS			
Other credits	2.c)	**733,635**	-
Fixed assets	Annex I	**3,614,208**	4,589,774
Deferred tax	3)	**4,931,958**	-
Total non-current assets		**9,279,801**	4,589,774
TOTAL ASSETS		**262,280,278**	225,369,059
LIABILITIES			
CURRENT LIABILITIES			
Debts:			
Trade	2.e)	**76,477,824**	71,395,337
Salaries and payroll taxes	2.f)	**30,546,770**	24,250,580
Tax	2.g)	**12,071,914**	5,836,855
Financial	2.h)	**41,824,802**	34,070,703
Advance payments from clients		**19,110,309**	14,379,972
Total liabilities		**180,031,619**	149,933,447
NON-CURRENT LIABILITY			
Allowance for lawsuits and contingencies	Annex II	**4,300,000**	-
Total Non-current Liability		**4,300,000**	-
LIABILITY TOTAL		**184,331,619**	149,933,447
NET WORTH (according to respective status)		**77,948,659**	75,435,612
TOTAL LIABILITIES AND NET EQUITY		**262,280,278**	225,369,059

Notes 1 to 9 and annexes I to IV are integral part of this status.

Duly signed for identification purposes with our report
dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

INCOME STATEMENT FOR FISCAL YEAR ENDED ON JUNE 3OTH 2020

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

	Ref.	...2020...	...2019...
Net incomes for provision of services	2.i)	**346,701,522**	365,356,944
Cost of services provided	Annex IV	**(181,792,798)**	(213,453,940)
Net result		**164,908,724**	151,903,004
Marketing expenses	Annex IV	**(29,521,309)**	(30,664,784)
Administration expenses	Annex IV	**(68,226,011)**	(69,334,470)
Other incomes and expenses, net	2.j)	**(8,536,512)**	(679,418)
Financial performance and holding (includes RECPAM)		**(59,219,538)**	(35,057,381)
Results before income tax		**(594,646)**	16,166,951
Income tax	3)	**3,107,693**	(2,276,275)
Net result of fiscal year		**2,513,047**	13,890,676

Notes 1 to 9 and annexes I to IV are integral part of this status.

Duly signed for identification purposes with our report
dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

NET WORTH DEVELOPMENT STATEMENT FOR FISCAL YEAR ENDED ON JUNE 30TH 2020

(presented comparatively for the fiscal year ended on June, 30th 2019.)

(in pesos)

Concept	Capital				Reserved earnings				Unappropriated earnings	Total
	Capital stock	Capital adjustment	Issuance premium	Total	Legal reserve	Optional reserve	Reserve for future dividends	Total		
Balance at June 30th 2018	2,255,800	3,476,142	94,703,796	100,435,738	15,439	9,458,627	36,644,178	46,118,244	(85,009,046)	61,544,936
Net result of fiscal year									13,890,676	13,890,676
Balance at June 30th 2019	2,255,800	3,476,142	94,703,796	100,435,738	15,439	9,458,627	36,644,178	46,118,244	(71,118,370)	75,435,612
Regular General Assembly of October 22nd 2019:										
- Establish legal reserve					694,534			694,534	(694,534)	
Net result of fiscal year									2,513,047	2,513,047
Balance at June 30th 2020	**2,255,800**	**3,476,142**	**94,703,796**	**100,435,738**	**709,973**	**9,458,627**	**36,644,178**	**46,812,778**	**(69,299,857)**	**77,948,659**

Notes 1 to 9 and annexes I to IV are integral part of this status.

Duly signed for identification purposes with our report
dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

COMVIVA TECHNOLOGIES (ARGENTINA) S.A

CASH FLOW STATEMENT

For the fiscal year ended June 30, 2020

(in pesos)

	...2020...	...2019...
CASH VARIATIONS		
Cash at the beginning of the fiscal year (note 1.4.g)	**45,074,095**	44,533,689
Cash at the end of fiscal year (note 1.4.g)	**44,908,103**	45,074,095
Net (Decrease) / increase of cash	**(165,992)**	**540,406**
Causes of cash variations		
OPERATING ACTIVITIES		
Net profit for the year	**2,513,047**	13,890,676
Income tax	**(3,107,693)**	2,276,275
Adjustments to reach the net cash flow from operating activities:		
Depreciation of fixed assets	**4,583,708**	5,661,883
Allowance for devaluation of non-recoverable tax credits	**3,999,151**	(14,002,565)
Net variations in assets and liabilities:		
Increase of credits for sales	**(40,996,172)**	(58,566,454)
Decrease of other credits	**6,270,044**	41,988,162
Decrease of other assets	**81,893**	675,949
Increase of trade debts	**5,082,487**	7,621,971
Increase / (Decrease) of corporate debts	**6,296,190**	(8,298,827)
Decrease of tax debts	**6,235,059**	2,669,727
Decrease of other debts	**-**	(196,567)
Increase of advance payments from clients	**4,730,337**	11,423,013
Net cash flow (used in) / generated by operational activities	**(4,311,949)**	**5,143,243**
INVESTMENT ACTIVITIES		
Acquisition of fixed assets	**(3,608,142)**	(4,321,243)
Net cash flow used in investing activities	**(3,608,142)**	(4,321,243)
FINANCING ACTIVITIES		
Increase / (Decrease) of financial debts	**7,754,099**	(281,594)
Net cash flow used in financing activities	**7,754,099**	(281,594)
Net (Decrease)/Increase of cash	**(165,992)**	**540,406**

Notes 1 to 9 and annexes I to IV are integral part of this status.

Duly signed for identification purposes with our report dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

NOTES TO FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE, 30TH 2020

(presented comparatively for the fiscal year ended on June, 30th 2019.) (in pesos)

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 Accounting standards applied

These financial statements have been prepared and exposed according to the Technical Regulations and Interpretations of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), taken by the Argentine Federation of Professional Councils of Economic Sciences (C.P.C.E.C.A.B.A.), in force and applicable to entities not included in the public tender offer regime and which has not opted for the application of International Financial Reporting Standards (Argentine professional accounting standards).

1.2 Unit of measure

Financial statements have been prepared in constant currency recognizing the effects of inflation according to the corresponding generally accepted professional accounting standards.

In the restatement to reflect the variations in the currency purchasing power the adjustment method established by the Technical Resolution Nº 6, its amending and supplementing provisions were followed in the way it was approved and regulated by the Argentine Federation of Professional Councils of Economic Sciences

The index used for the restatement is the Consumer Price Index (CPI) published by the National Institute of Statistics and Censuses (INDEC), from January 1st 2017 and, backwards, Internal Index Wholesale Prices (IPIM) made by this Institute or, in its absence, consumer price index published by the General Directorate of Statistics and Census of the City of Buenos Aires. Index variations used to restate this financial statements have been of 42.76% in the fiscal year ended on June, 30th 2020 and of 55.75% in this fiscal year.

By Resolution C.D. N° 107/2018 of the CPCECABA, amended on April 3rd 2019 by Resolution C.D. N° 18/2019 of the CPCECABA, the second part of the resolution JG FACPCE N° 539/18 was approved, as indicated in the Annex of the mentioned Resolution of the CPCECABA, mandatorily applicable for the financial statements of fiscal years or intermediate periods closed as of December 31st 2018, inclusive, considering the possibilities of using certain simplifications as regards to the methodology established in the TR N° 6. In the CPCECABA standards different relevant aspects are also defined to apply the procedures of restatement of the financial statement figures.

The Partnership applied the inflation adjustment of the TR 6, with the following option granted by the Res. JG 539/18:

Option of determining and presenting financial performance and holding (including RECPAM) in one line

The Partnership exercised the option of the TR 6 and the Res. JG 539/18 of presenting the R.E.C.P.A.M. included in the financial performance and holding in only one line.

Non-opening of Financial performance and holding (RECPAM included) generates the impossibility of determining the real magnitude of the different components of the financial performance and holding, neither their nominal magnitude adjusted by inflation and the RECPAM effect on those results. This limitation also prevents the determination of certain financial ratios, as financial assets performance, the cost of debt, leverage, etc.

1.3 Comparative information

According to what was asked by the Argentine professional accounting standards, financial statements as of June 30th2020, with its notes and annexes, are presented comparatively with the figures of the fiscal year ended on June 30th 2019.

Certain amounts of the financial statements as of June 30th 2019 have been reclassified to adjust them to the corresponding presentation of the accounting standards as of June 30th 2020. The reclassifications performed do not imply modifications in the net worth as of June 30th 2019 nor in the operation results for the fiscal year ended on that date.

1.4 Main assessment criteria applied in the preparation of the accounting standards.

a) Monetary items:

Cash and banks, credits and debts are expressed at their nominal value at the end of each fiscal year

b) Assets and liabilities in foreign currency:

They have been assessed according to the suitable exchange rate or rate applied at the end of each fiscal year.

c) Other assets:

Supplies: Current replacement cost has been assessed at the end of each fiscal year, it does not exceed its recoverable value.

d) Fixed assets:

Acquisition cost: they have been valued at the acquisition cost restated according to what is mentioned in note 1.2.

Depreciations: fixed assets are depreciated following the straight-line method since the acquisition year, applying the aliquots estimated for each fixed asset, determined according to the estimated lives. The cumulative depreciations have been restated according to what is mentioned in note 1.2.

Fixed asset value does not exceed the estimated use value.

e) Capital stock, earnings allocated to reserves and unallocated earnings:

Net worth balances adjusted at the beginning of the fiscal year were updated at the end of the fiscal year according to what was mentioned in note 1.2.

Capital stock was restated in currency as at closing date, according to what was established in note

1.2. The difference with the nominal value is shown as "capital adjustment" in the net worth.

Unallocated earnings are restated in currency as at closing date, according to what was established in note 1.2.

The result of the fiscal year was obtained by the difference of the net worth at the beginning, the movements of their accounts, and the net worth at the end, measured in constant currency as of June 30th 2020.

f) Income tax:

The Partnership determines the accounting charge for income tax according to the method of the deferred tax which considers the effect of the temporary differences originated in the different measuring base of assets and liabilities according to the accounting and tax criteria, and of the existing tax loss carryforward and tax credits not used tax deductible of future taxable incomes, calculated considering the prevailing tax rate, and the governing one at the moment of the reversion.

On December, 29th 2017, Act N° 27,430 of the Tax Reform was published, which came into force the day after its publication. The tax reform introduces amendments in the Income Tax Act, including the reduction of the aliquot which levies retained company earnings of 35% to 25% as of January 1st 2020, with a transitional model for the two fiscal years starting on January, 1st 2018, where the aliquot will be 30%. The main accounting impact of the new standard is the measuring of assets and liabilities by deferred tax, as they have to be recognized applying the tax rate applied on the dates when the differences between book and tax values are reversed or used.

Likewise, by virtue of the amendments introduced by Acts N° 27.430 and N° 27.468 of Income Tax Act ("ITA"), the adjustment procedure for tax inflation considered in article 95 of the ITA (static and dynamic adjustments), in the fiscal year when variation percentage in the general level CPI accumulated in the thirty six (36) months before the end of the fiscal year liquidated, above one hundred percent (100%) shall be applicable for the fiscal years starting on January 1st 2018, Without limiting the foregoing, as regards to the first, second and third fiscal years since its entry into force, that procedure shall be applicable if the variation of this index, estimated from the beginning till the end of each of these fiscal years, is above fifty five percent (55%), a thirty percent (30%) and a fifteen percent (15%) for the first, second and third year of application, respectively. Nevertheless, the adjustment for tax inflation (positive or negative) that shall be applied regarding the first, second and third fiscal years starting on January 1st 2018 shall only be computable on a third part of the period of origin while the other two remaining thirds, in equal parts, shall be computable on the two immediately following tax periods.

The "Social Solidarity and Productive Reactivation Act N° 27.541" by means of which public emergency is declared in economic, financial, tax, administrative, social security, tariff, energy, health and social issues was published in the Official Gazette on December 23rd 2019. Within the amendments introduced, as regards to income tax, it suspended until the fiscal year starting on January 1st 2021 the reduction of 25% of the income tax aliquot, keeping the rate of 30%; and stablished that the adjustment for tax inflation, corresponding to the first and second fiscal years starting on January 2019, if applicable, shall be attributed 1/6 in this tax period and the remaining 5/6, in equal parts, in the immediately following 5 tax periods. The provisions do not preclude the calculation of the remaining thirds corresponding to the previous periods.

During the fiscal years finished on June 30th 2020 and 2019, CPI variation was of 42.76% and 55.75%, respectively. As a consequence, as the established variations were reached for both fiscal years (55% for the first and 30% for the second) the Partnership determined the income tax applying the provisions mentioned in the previous paragraphs.

Benefits Act N° 25,922

The Partnership is entitled to the benefits of Act N° 25,922 "Software Industry Promotion Act", published in the Official Gazette on September 9th 2004. Subjects adhering to this regime shall enjoy tax stability for ten years reaching all national taxes, meaning direct taxes, tax rates and contributions having those registered beneficiaries as taxable people. Tax stability means that subjects developing software production activities shall not see their national total tax burden increased when incorporating the Partnership to this general legal framework.

The beneficiaries of the regime of this act developing software development and investigation activities and/or processes of quality certification of software developed in the national territory and/or software export, shall be able to turn into a non-transferable tax credit certificate up to 70% of the employer contributions effectively paid on the total payroll of the company for social security systems and subsystems considered in Acts N° 19,032 (National Social Security Administration), 24,013 (National Employment Fund) and 24.241 (Retirement and Pension System). The beneficiaries could use those certificates to pay national taxes originated in the software industry, specially value added tax or other national taxes and their advanced payments, if applicable, excluding income tax.

Subjects adhering to the promotion regime established by this act will have a relief of 60% in the total amount of the income tax determined in each fiscal year, while investigation and development and/or quality certification processes and/or software exports expenditures are charged in the extent determined by the implementing authorities. The benefit only applies to the activities corresponding to the promotion regime.

Act N° 26.692, published in the Official Gazette on August 18 2011, made amendments to the software industry promotion act, and among others it extended its validity up to December 31st 2019.

Act N° 27,506 “Regime Of Promotion Of The Knowledge Economy”, which should replace software industry promotion Act with effect from January 1st 2020 was published in the Official Gazette on June 10th 2019. Nevertheless, afterwords the act was null and legally invalidated, and then amended for its approval with certain modifications on October 8th 2020, the regulations pending at the issuance date of this financial statements.

g) Cash flow statement:

Such statement is presented according to the indirect method, going from the net result of each fiscal year, adding or deducting, as appropriate, those entries involved in its determination, but that neither affected funds nor changes in assets and liabilities. Cash and banks and sales credits are considered concepts of “Cash and its equivalents” according to the following detail:

Category	**...2020...**	...2019...
Cash and banks	**31,430,540**	27,763,236
Sales credits (*)	**13,477,563**	17,310,859
Total cash and its equivalents	**44,908,103**	**45,074,095**

(*) Corresponds to “Cash to be deposited” due in less than 90 days.

h) Estimates:

The preparation of the financial statements, according to accounting standards in force, requires the Board of Directors of the Partnership to make estimates affecting the determination of the amounts of assets and liabilities and the disclosure of contingencies at the date of presenting the financial statements. The real amounts and results may defer from the estimates made for the preparation of the financial statements.

For other non-recoverable credits: it was constituted on the basis of an individual analysis of recoverability of receivables.

For deferred tax: it was constituted on the basis of the individual analysis of the probability of reversion of the items of the deferred tax.

For lawsuits and contingencies: it was constituted to cover possible claims and contingency situations that could create liabilities for the Partnership. The opinion of the legal advisers of the Partnership was considered in the estimates of amounts and likelihood of occurrence.

i) Results:

The income statements were restated in the currency as at closing date, according to what was established in note 1.2. The differences with their nominal values were included in the line “Financial performance and holding (includes RECPAM)” of the income statement.

2. COMPOSITION OF THE MAIN CATEGORIES OF THE FINANCIAL STATEMENTS.

The composition of the main categories of the financial statements are the following:

	...2020...	...2019...
2.a) Cash and banks		
Cash in local currency	**56,463**	731,029
Cash in foreign currency (Annex III)	**384,635**	94,175
Banks in local currency	**3,621,951**	3,604,470
Banks in foreign currency (Annex III)	**27,367,491**	23,333,562
Total	**31,430,540**	27,763,236
2.b) Sales credits		
Sales credits in local currency	**389,745**	981,632
Sales credits in foreign currency (Annex III)	**43,209,644**	44,187,509
Related parties (note 5)	**157,809,067**	115,243,143
Cash to be deposited	**13,477,563**	17,310,859
Total	**214,886,019**	177,723,143
2.c) Other credits		
Current		
Recoverable value added tax	**-**	1,740,716
Recoverable income tax	**1,122,964**	6,177,733
Recoverable gross income tax	**1,056,313**	1,277,952
Advance payments to suppliers	**2,603,465**	487,283
Loans to employees	**-**	28,552
Computable balance software act	**-**	3,508,757
Pre-paid expenses	**1,253,916**	1,389,418
Security deposits in foreign currency (Annex III)	**411,000**	355,469
Security deposits in local currency	**20,750**	29,623
Total	**6,468,408**	14,995,503
2.d) Other assets		
National supplies	**188,785**	259,251
Imported supplies	**26,725**	38,152
Total	**215,510**	297,403
2.e) Commercial Debt		
Common in local currency	**3,896,484**	1,287,782
Common in foreign currency (Annex III)	**1,964,806**	1,518,726
Related parties (note 5)	**57,022,329**	48,178,093
Provision for charges in local currency	**2,543,114**	2,282,201
Provision for charges in foreign currency (Annex III)	**10,484,301**	16,041,825
Payable credit cards	**566,790**	1,327,922
Payable credit cards in foreign currency (Annex III)	**-**	758,788
Total	**76,477,824**	71,395,337

	...2020...	...2019...
2.f) Salaries and payroll taxes		
Payable taxes	**5,912,796**	5,079,309
Payable Indemnities	**-**	713,794
Social provisions	**14,653,268**	11,176,587
Provision for bonus	**6,232,480**	7 280.890
Payment plan	**3,748,226**	-
Total	**30,546,770**	24,250,580
2.g) Tax payables		
Payable value added	**194,654**	-
Payable export duties	**9,613,931**	4,282,163
Software act rate to deposit	**762,967**	79,811
Withholding and perceptions to deposit	**1,500,362**	1,474,881
Total	**12,071,914**	5,836,855
2.h) Financial debts		
Related parties (note 5)	**41,824,802**	34,070,703
Total	**41,824,802**	34,070,703
2.i) Net incomes for provision of services		
Incomes for provision of services (1)	**349,003,857**	369,378,538
Subtotal	**349,003,857**	369,378,538
Gross income tax	**(2,302,335)**	(4,021,594)
Total	**346,701,522**	365,356,944
(1) Incomes for provision of services		
Domestic market	**124,789,791**	215,009,573
Foreign market	**224,214,066**	154,368,965
Total	**349,003,857**	369,378,538
2.j) Other incomes and expenses, net		
Cost recovery	**97,965**	759,849
Other non-recoverable credits	**(8,585,943)**	(1,386,736)
Donations	**(48,534)**	(52,531)
Total	**(8,536,512)**	(679,418)

3. INCOME TAX

As of June, 30th 2020 and 2019, the Partnership determined a charge for income tax for the ended fiscal year on those dates as follows:

	...2020...	...2019...
Deferred income tax	**4,931,958**	-
Current income tax	**(1,824,265)**	(2,276,275)
Income tax	**3,107,693**	(2,276,275)

The conciliation between the charge to income registered in the income tax and the one resulting from applying the rate established by the standards in force at the accounting result of the fiscal year ended on June 30th 2020 and 2019 are the following:

	...2020...	...2019...
Result of the financial year before income tax	**(594,646)**	16,166,951
At tax rate (1)	**71,358**	(1,940,034)
Permanent differences (2)	**3,036,335**	(336,241)
Income tax	**3,107,693**	(2,276,275)

(1) The rate applied is of 12%, which has the reduction of 60%, resulting from the tax benefit in the Software Act according to what was mentioned in note 1.4.f.

(2) Includes the effect for rate change and the R.E.C.P.A.M.

Likewise, the composition of the net deferred tax as of June 30th 2020 and 2019 and the variations registered in the fiscal year ended on June 30th 2020 are the following:

	...2020...	Variations	...2019...
Asset / (Liability) for Deferred Tax			
Fixed assets	**(114,716)**	1,500,495	(1,615,211)
Salaries and payroll taxes	**16,039,332**	(3,131,937)	19,171,269
Provisions	**5,160,000**	5,160,000	-
Cumulative tax loss carryforward	**7,181,778**	(4,320,926)	11,502,704
Adjustment for tax inflation	**24,030,049**	6,630,406	17,399,643
Total	**52,296,443**	5,838,038	46,458,405
To the tax rate	**5,793,771**	218,762	5,575,009
Provision for deferred tax (Annex II)	**(861,813)**	4,713,196	(5,575,009)
Total	**4,931,958**	4,931,958	-

(1) The balance corresponds to specific tax loss carryforward of foreign source, which prescribe in the fiscal year of June 30th 2022.

(2) Estimated considering the reversion periods (see note 1.4.f)

(3) Includes the result for rate change and the R.E.C.P.A.M.

4. SOCIAL STOCK

As of June, 30th 2020 and 2019, capital stock amounted to 2,255,800, represented by 2,255,800 common, registered, non-transferable, with voting right per share and nominal value of $1 each. It was totally subscribed, integrated and registered before the Superintendence of Corporations.

5. PARTNERSHIPS SECTION 33 ACT N° 19,550 AND OTHER PARTIES RELATED

As of June 30th 2020 and 2019, the shareholding structure of the Partnership was the following:

	Shares (1)		
Shareholders	**Amount**	**Nominal value**	**% Share**
Comviva Technologies BV	2,255,010	2,255,010	99.96%
Comviva Technologies Ltd.	790	790	0.04%
Total	**2,255,800**	**2,255,800**	**100%**

(1) Common, registered, non-transferable shares, with voting right per share and nominal value of $1 each (note 4).

As of June 30th 2020 and 2019, the balance with related parties are the following:

	Sales credits (1)	Commercial Debt (1)	Financialdebts (1)
Comviva Technologies BV	156,590,521	57,022,329	41,824,802
Comviva Technologies Ltd.	1,218,546	-	-
Totals 2020	**157,809,067**	**57,022,329**	**41,824,802**
Totals 2019	**115,243,143**	**48,178,093**	**34,070,703**

(1) Correspond to balances in foreign currency (see Annex III)

As of June 30th 2020 and 2019, the transactions with related parties were the following:

	...2020...	...2019...
Incomes for provision of services:		
- Comviva Technologies BV	**174.010.475**	132,782,439
- Comviva Technologies Ltd.	**23,776,636**	-
Third parties services and supplies applied:		
- Comviva Technologies BV	**-**	19,894,945

6. GUARANTEES AND SURETIES IN FORCE

As of June 30th 2020 and 2019, the Partnership kept guarantees and liability insurance in favor of their customers and bank sureties, according to the following detail:

Type	**Currency of origin**	**...2020...**	...2019...
- Surety insurance	AR$	**1,643,885**	5,519,188
	U$S	**24,759**	45,201
- Liability insurance	U$S	**56,000,000**	41,000,000
- Bank sureties	U$S	**-**	56,511

7. BREAKDOWN BY FINANCING TERMS AND INTEREST RATES OF CREDITS AND DEBTS AS OF JUNE 30TH 2020

Terms	**Credits (1)**	**Debts (1)**
Without specified term	157,809,067	113,039,334
Due	411,000	-
Due up to three months	48,744,759	37,918,388
Due between three and six months	5,001,320	7,430,760
Due between six and nine months	-	762,967
Due between nine and twelve months	9,388,281	20,880,170
Due above twelve months	733,635	-
Total	**222,088,062**	**180,031,619**

(1) Neither do they accrue interests nor have adjustment clause except for: i) financial debts, accruing interests according to the conditions agreed with Comviva Technologies BV; and ii) payment facility plans included within the categories Salaries and payroll taxes of liabilities accruing interests a monthly rate of 2.5%.

8. RESTRICTIONS TO THE DISTRIBUTION OF CUMULATIVE RESULTS

According to the legal dispositions in force, 5% of the net income of the fiscal year should be appropriate to the legal reserve until it reaches 20% of the social stock. As of June 30th 2020, the amount of the legal reserve amounts to 709,973.

9. EFFECTS OF COVID-19 PANDEMIC IN THE ACTIVITIES OF THE PARTNERSHIP

On December 2019 the onset in China of a new coronavirus SARS-CoV-2 (known as “COVID-19”) was known, after December 31st 2019 it expanded practically all around the world. On March 11th 2020 the WHO declared the outbreak of COVID-19 as a pandemic. This emergency situation and the measures adopted in the different countries to face it have significantly affected the international economic activity with different impacts in each country affected and business sectors. The Partnership Board estimates that this situation will not have an adverse and significant effect on entity operations, as the activity of the Partnership has continued operating normally besides the different regulations established by the National Executive Power. Nevertheless, the future evolution of COVID-19 is very uncertain and cannot be predicted, as well as the measures needed to contain it and deal with its impact, and, therefore, the results, developments, and real commercial decisions can differ from the ones considered in the prospective declaration of the administrators about the impact of COVID-19 in the operations of the entity.

As a consequence of the above mentioned, at the date of issuance of this balance the transcription is pending:

i) the inventory and balance sheet book, the information of the fiscal year ended on June 30th 2020; and,

ii) the Journal, book entries of the month of June 2020.

Duly signed for identification purposes with our report
dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

FIXED ASSETS

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

Main account	2020								2019
	Acquisition costs			Depreciations					
	At the beginning of the year	Additions	the end of the fiscal year	Cumulative at the beginning	Aliquot %	of the fiscal (1)	Cumulative at the end of fiscal year	ResultantNet Value	ResultantNet Value
Furniture and tools	70,078,376	27,182	70,105,558	69,047,174	10%	638,925	69,686,099	419,459	1,031,202
Computers	12,345,103	3,167,532	15,512,635	8,786,531	2%	3,531,355	12,317,886	3,194,749	3,558,572
Facilities	2,246,688	-	2,246,688	2,246,688	5%	-	2,246,688	-	-
Vehicles	506,832	-	506,832	506,832	5%	-	506,832	-	-
Building improvements	997,601	-	997,601	997,601	50%	-	997,601	-	-
Software	17,109,793	413,428	17,523,221	17,109,793		413,428	17,523,221	-	-
TOTALS 2020	**103,284,393**	**3,608,142**	**106,892,535**	**98,694,619**		**4,583,708**	**103,278,327**	**3,614,208**	
TOTALS 2019	**98,963,150**	**4,321,243**	**103,284,393**	**93,032,736**		**5,661,883**	**98,694,619**		**4,589,774**

(1) Allocable to administration expenditures (Annex IV)

Duly signed for identification purposes with our report
dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

Annex II

PROVISIONS
FINANCIAL STATEMENTS AS OF JUNE 30TH 2020

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

	Balance at the beginning of the fiscal year	Increases	Decreases	Balance at the end of the fiscal year
DEDUCTED FOR ASSETS				
Other credits				
Provision for other non-recoverable credits	28,653,595	8,585,943 (1)	(8,886,792) (3)	28,352,746
Deferred tax				
Provision for deferred tax	5,575,009	-	(4,713,196) (4)	861,813
TOTALS 2020	**34,228,604**	**8,585,943**	**(13,599,988)**	**29,214,559**
TOTALS 2019	**42,656,160**	**6,961,744**	**(15,389,300)**	**34,228,604**
ALLOCABLE TO LIABILITIES				
Provisions				
For lawsuits and contingencies	-	4,300,000 (2)	-	4,300,000
TOTALS 2020	-	4,300,000	-	4,300,000
TOTALS 2019	-	-	-	-

(1) Allocable in the line “Other income and expenses” of the income statement (nota 2.j).

(2) Allocable to Cost of services provided, administration and commercialization of income statement (Bonus to employees).

(3) Used for special purposes (includes RECPAM).

(4) Allocable in the line “Income tax” of the income statement (note 3).

Duly signed for identification purposes with our report
dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

		...2020...			...2019...
		Type and amount of foreign currency	Exchange rate $	Amount in Argentine currency and amount entered in pesos	Amount in Argentine currency and amount entered in pesos
ASSET CURRENT ASSET					
Cash and Banks					
Cash	U$S	5,489	68,50	375,966	89,967
Cash	EURO	57	76.50	4,334	3,940
Cash	R$	367	11.80	4,335	268
Banks	U$S	399,525	68,50	27,367,491	23,333,562
Sales credits					
Common	U$S	630,798	68,50	43,209,644	44,187,509
Related parties	U$S	2,303,782	68,50	157,809,067	115,243,143
Other credits					
Security deposits	U$S	6,000	68,50	411,000	355,469
TOTAL CURRENT ASSET				**229,181,837**	**183,213,858**
NON CURRENT ASSET					
Other credits					
Security deposits	U$S	10,710	68,50	733,635	-
TOTAL NON-CURRENT ASSET				**733,635**	**-**
ASSET TOTAL				**229,915,472**	**183,213,858**
LIABILITY CURRENT LIABILITY					
Commercial Debt					
Common	U$S	26,732	73.50	1,964,806	1,518,726
Related parties	U$S	775,814	73.50	57,022,329	48,178,093
Provision for charges	U$S	142,644	73.50	10,484,301	16,041,825
Payable credit cards	U$S			-	758,788
Financial debts					
Related parties	U$S	569,045	73.50	41,824,802	34,070,703
TOTAL CURRENT LIABILITY AND LIABILITY				**111,296,238**	**100,568,135**

Duly signed for identification purposes with our report dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

Annex IV

INFORMATION REQUESTED BY SECTION 64, PARAGRAPH I, INC. B) OF ACT N° 19,550

(presented comparatively for the fiscal year ended on June, 30th 2019.)
(in pesos)

Categories	Cost of services provided	Marketing expenses	Administration expenses	Totals 2020	Totals 2019
Salaries and wages	105,246,978	10,921,955	29,553,504	145,722,437	139,915,504
Payroll	28,381,071	3,388,741	230,178	31,999,990	25,648,764
Third party services and supplies applied	16,657,416	-	-	16,657,416	56,308,613
Taxes, rates and contributions	239,730	59,661	15,552,274	15,851,665	9,008,435
Professional fees	4,746,012	1,156,207	6,603,299	12,505,518	10,396,896
Bonus to employees	4,606,423	3,377,765	3,549,334	11,533,522	6,742,203
Rents	7,519,776	814,982	1,890,354	10,225,112	10,891,995
Commuting costs abroad	2,570,534	3,527,112	673,599	6,771,245	16,113,900
Telecommunication costs	4,713,562	462,925	1,273,057	6,449,544	6,546,909
Training costs	2,368,967	108,593	2,071,669	4,549,229	5,450,502
Depreciation of fixed assets	-	-	4,583,708	4,583,708	5,661,883
Commissions	397,887	2,977,567	-	3,375,454	7,373,743
Maintenance costs	2,260,433	211,121	772,835	3,244,389	4,679,291
Software maintenance	1,056,520	769,885	287,866	2,114,271	2,347,929
Advertising costs	-	918,159	-	918,159	522,278
Representation costs	53,148	308,488	391,970	753,606	1,830,163
Commuting costs	318,761	221,298	117,393	657,452	1,429,824
Insurance	283,768	251,045	74,888	609,701	899,846
Bank costs and commissions	-	-	471,965	471,965	614,747
Stationary expenses	173,013	32,596	75,226	280,835	349,476
Different refurbishing	198,799	13,209	52,892	264,900	720,293
TOTALS 2020	**181,792,798**	**29,521,309**	**68,226,011**	**279,540,118**	
TOTALS 2019	**213,453,940**	**30,664,784**	**69,334,470**		**313,453,194**

Duly signed for identification purposes with our report
dated on October 30th 2020

MARINOZZI – MAZZITELLI & ASOCIADOS S.R.L.
(R.S.C. C.P.C.E.C.A.B.A. V° 1 – P° 36)

COMVIVA TECHNOLOGIES MYANMAR LIMITED

(Incorporated in Republic of the Union of Myanmar)

CORPORATE INFORMATION

Directors:
Atul Madan (Resigned with effect from September 2020)
Neeraj Jain
Soe San Oo (Resigned with effect from March 15, 2020)

Registered Office:
MICT Park, Building(19), 6th Floor,
Room (704) Hlaing Township
Yangon Republic of the Union of Myanmar

Principal banker:
State Bank of India

Auditors:
JF Group – Certified Public Accountants & Auditors

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of COMVIVA Technologies Myanmar Limited "(the Company)" for the financial period ended 30 September 2020 as per Myanmar Companies Law Section - 261.

DATE OF INCORPORATION

The Company was incorporated on 6 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is providing Integrated Value Added Services (VAS) to telecom companies in Myanmar.

RESULT FOR THE FINANCIAL PERIOD

	MMK
Profit for the financial period	216,708,749

DIVIDEND

No dividend was paid during the financial period and the Directors do not recommend the payment of any dividend for the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the current financial period.

BAD DEBTS OR DOUBTFUL DEBTS

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts and that allowance need not be made for doubtful debts.

As at the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or to make allowances for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Company have been written down to an amount expected if realised.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading except as otherwise stated in the financial statements.

VALUATION METHOD

At the date of this report the Directors are not aware of any circumstance, which have arisen and which may render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person, or

(ii) any contingent liability of the Company which has arisen since the end of the financial period.

No contingent or other liability has become enforceable, or is like to become enforceable, within the year of 12 months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Company, which would render any amount stated in the financial statements as misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company during the financial period were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect the substantially the results of the operations of the Company for the financial period for which this report is made.

SHARE CAPITAL

The Company issued shares during the financial period which is disclosed in Note 8 of the financial statements.

No option to take up unissued shares in the Company was granted during the financial period and there were no shares under options at the end of the financial period in respect of shares in the Company.

DIRECTORS OF THE COMPANY

The Directors who have held for office as at the date of this report are:

Atul Madan

Neeraj Jain

Soe San Oo

DIRECTORS' BENEFITS

During and at the end of the financial period, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

The Directors have not received or become entitled to receive any benefit (other than a benefit stated in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a member in which the Director has a substantial financial interest.

SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

Significant event during the financial period is disclosed in Note 17 to the financial statements.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMETNS

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of the Company as at 30 September 2020, and of its financial performance and cash flows for the financial period as at 30 September 2020. In preparing these financial statements, the Directors are required to:

(a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;

(b) comply with the disclosure requirements of the Myanmar Companies Law Section - 262 and Myanmar Financial Reporting Standards ("MFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

(c) maintain adequate accounting records and an effective system of internal controls;

(d) prepare the financial statements on a going concern basis unless it is in appropriate to assume that the Company will continue its operations in the foreseeable future; and

(e) control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in prepari**ng the financial statements.**

Signed on behalf of the Board,

Neeraj Jain	**Ankit Sharma**
Non-Executive Director	**Non-Executive Director**

Yangon, Republic of the Union of Myanmar

Date: 29th December, 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMVIVA TECHNOLOGIES MYANMAR LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of COMVIVA TECHNOLOGIES MYANMAR LIMITED "(the Company)", which comprise the statement of financial position of the Company as at 30 September 2020, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1156-1166.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Myanmar Companies Law (the "Law") and Myanmar Financial Reporting Standards ("MFRS"), so as to give a true and fair view of the financial position of the Company as at 30 September 2020 and of the financial performance, changes in equity and cash flows of the Company for the financial period ended at 30 September 2020.

Basis for Opinion

We conducted our audit in accordance with Myanmar Standards on Auditing ("MSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company together with the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Directors of the company are responsible for the other information. The other information comprises the Directors' Report set out on pages 1148-1149.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Myanmar Companies Law Section 261 and 262 and MFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

The Director's responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company 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 MSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

(a) Identify and assess the risks of material misstatement of the financial statements, of the Company, 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Company 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.

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

We communicate with the management 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.

COMVIVA TECHNOLOGIES MYANMAR LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

Amount in MMK

Particulars	Note No.	As at March 31, 2020
Assets		
Current Assets		
Trade and other receivables	6	685,768,238
Cash and bank balances	7	2,193,579,618
		2,879,347,856
TOTAL ASSETS		**2,879,347,856**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	8	272,341,198
Retained earning		216,708,749
TOTAL EQUITY		**489,049,947**
LIABILITIES		
Current Liabilities		
Trade and other payables	9	2,318,061,659
Current tax liabilities		72,236,250
		2,390,297,909
TOTAL LIABILITIES		**2,390,297,909**
TOTAL EQUITY AND LIABILITIES		**2,879,347,856**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

Amount in MMK

Particulars	Note No.	6.12.2019 to 30.9.2020 MMK
Revenue	10	2,612,183,815
Cost of sales	11	(1,970,995,754)
Gross profit		641,188,061
Administrative expenses	12	(352,243,062)
Profit from operations		288,944,999
Finance costs		-
Profit before tax		288,944,999
Tax expense	13	(72,236,250)
Profit for the financial period		216,708,749
Other comprehensive income, net of tax		-
Total comprehensive income		**216,708,749**

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Note	Share capital MMK	Retained earning MMK	Total equity MMK
Incorporated at 6 December 2019		-	-	-
Total comprehensive income, net of tax		**-**	**216,708,749**	**216,708,749**
Transactions with equity owners				
Issue of share capital	8	272,341,198	-	272,341,198
Balance as at 30 September 2020		**272,341,198**	**216,708,749**	**489,049,947**

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTMEBER 2020

	Note No.	Amount in MMK 6.12.2019 to 30.9.2020 MMK
Cash flows from operating activities		
Profit before tax		288,944,999
Unrealised exchange loss		5,078,408
Operating profit before changes in working capital		294,023,407
Changes in working capital:		
Trade and other receivables		(685,768,238)
Trade and other payables		2,318,061,659
Cash generated from operations		1,926,316,828
Net cash generated from operating activities		1,926,316,828
Cash flows from financing activities		
Issuance of ordinary share	8	272,341,198
Net cash generated from financing activities		272,341,198
Net increase in cash and cash equivalents		2,198,658,026
Cash and cash equivalents at the beginning of financial period		-
Effect of exchange rate changes on cash and cash equivalents		(5,078,408)
Cash and cash equivalents at the end of financial period	7	**2,193,579,618**

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

COMVIVA Technologies Myanmar Limited was registered on 6 December 2019 as a limited liability company in the Republic of the Union of Myanmar.

The registered office and principal place of business of the Company is located MICT Park, Building 19, 6th floor, Room 704, Hlaing Township, Yangon, Republic of the Union of Myanmar.

As at 30 September 2020, the Company's holding company is COMVIVA Technologies Limited, which is incorporated in Republic of India.

The financial statements are presented in Myanmar Kyat ("MMK"), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on (Signing date).

2. PRINCIPAL ACTIVITY

The principal activity of the Company is providing Integrated Value Added Services (VAS) to telecom companies in Myanmar.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Myanmar Financial Reporting Standards ("MFRS") and the provisions of the Myanmar Companies Law (the "Law") in Republic of the Union of Myanmar.

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Company.

Bonuses are recognised as an expense when there is present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Termination benefits

Termination benefits are payments due to employees as a result of the termination of employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits. They are recognised as a liability and an expense when the Company has a detailed formal plan for termination with no realistic possibility of withdrawal. In the case of voluntary redundancy, the benefits are accounted for based on the number of employees expected to accept the offer.

Where termination benefits fall due more than 12 months after the end of reporting period, they are discounted to present value based on market yields at the end of reporting period.

4.2 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets and inventories are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including intangible assets, exceeds the recoverable amount of the asset or the CGU. The total impairment losses are first allocated to goodwill if any, then on pro-rata basis to reduce the carrying amount of the assets of the CGU of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.3 Financial instruments

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

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favorable to the Company.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavorable to the Company.

Financial instruments are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to- maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement: (continued)

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Company to receive payment is established. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Company in the management of their short term commitments.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement: (continued)

(v) Available-for-sale financial assets (continued)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non- derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholder are recognised in equity in the year in which they are declared. Final dividends are recognised upon the approval of shareholder in a general meeting

The Company measures a liability to distribute non-cash assets as a dividend to the owner of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting year and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Company recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

(d) Impairment of financial assets

The Company assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting year.

Loans and receivables

The Company collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payment by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent year, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.4 Income taxes

Income taxes include all domestic and international taxes on taxable profit and real property gains taxes payable on disposal of properties, if any. Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Company operates and include all taxes based upon the taxable profit and real properties gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting year. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilized, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the year unless the tax relates to items that are credited or charged, in the same or a different year, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

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 the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting year.

4.5 Provisions

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

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.6 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

4.7 Foreign currencies

Foreign currency translations and balances

Transactions in foreign currencies are converted into the functional currency at rates of exchange ruling at the transaction date. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into the functional currency at rates of exchange ruling at that date. All exchange difference arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.8 Revenue recognition

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

In case of revenue sharing arrangement, revenue is recognized as per agreement subject to satisfaction of performance obligation.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates during the reporting period end and as at the end of the reporting period.

5.2 Critical judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amount recognised in these financial statements apart from those involving estimates, which are dealt with below.

5.3 Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Tax expense

Significant judgement is involved in determining the Company's provision for income taxes. The Company will recognise liabilities for expected tax expenses based on an estimate of whether the taxes are due through management's interpretation of the various tax legislations. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the tax provision in the financial year in which such determination is made.

(b) Fair value measurements

Financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the year they occur.

The Company measures financial instruments at fair value as disclosed in Note 15 to the financial statements.

6. TRADE AND OTHER RECEIVABLES

	Amount in MMK
	30.9.2020 MMK
Trade receivables	196,003,070
Unbilled revenue	489,765,168
	685,768,238

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Company is 30 days from the date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(b) Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Company. None of the trade receivables of the Company that are neither past due nor impaired have been renegotiated during the financial period.

(c) Information on financial risks of trade and other receivables is disclosed in Note 16 to the financial statements.

(d) All the trade and other receivables are denominated in MMK.

7. CASH AND BANK BALANCES

	Amount in MMK
	30.9.2020 MMK
Cash and bank balances	2,193,579,618
	2,193,579,618

(a) Cash and bank balances are denominated in the following currencies:

	Amount in MMK
	30.9.2020 MMK
Myanmar Kyats	2,088,655,576
United States dollar	104,924,042
	2,193,579,618

(b) Information on financial risks of cash and bank balances is disclosed in Note 16 to the financial statements.

8. SHARE CAPITAL

	30.9.2020	
	Number of shares	**Amount MMK**
Issued and fully paid-up ordinary shares:		
At the beginning of the period	-	-
Issued and paid up during the financial period	200,000	272,341,198
At end of the period	**200,000**	**272,341,198**

During the financial period, the Company issued initial ordinary shares 200,000 amounting MMK272,341,198. The owners of the Company are entitled to receive dividends as and when declared by the Company and is entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company

9. OTHER PAYABLES

	Amount in MMK **30.9.2020** **MMK**
Other payable	
- accrued expenses	566,876,371
- WHT payables	43,779,630
- other payables	1,707,405,658
	2,318,061,659

(a) All the other payables are denominated in MMK.

(b) Information on financial risks of other payables is disclosed in Note 16 to the financial statements.

10. REVENUE

	6.12.2019 to 30.9.2020 MMK
Service income	**2,612,183,815**

11. COST OF SALES

	6.12.2019 to 30.9.2020 MMK
Cost of sales	**1,970,995,754**

12. ADMINISTRATIVE EXPENSES

	6.12.2019 to 30.9.2020 MMK
Unrealised foreign exchange loss	5,078,408
Legal and professional charges	7,490,885
Bank charges	89,873
Cost allocation inter company	339,583,896
	352,243,062

13. TAX EXPENSE

	6.12.2019 to 30.9.2020 MMK
Tax expense	**72,236,250**

(a) Under the Republic of the Union of Myanmar Law on Taxation, the Company has an obligation to pay tax on profit at 25% of the taxable profit.

(b) The numerical reconciliation between the tax expense and the tax based on applicable tax rate is as follows:

	6.12.2019 to 30.9.2020 MMK
Profit before tax	288,944,999
Tax at Myanmar statutory tax rate of 25%	72,236,250
Tax effects in respect of:	-
Non-deductible expense	72,236,250

14. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties can be individuals or other parties.

The Company has controlling related party relationship with its holding company.

Key management personnel comprises persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly and indirectly.

(b) The Company had the following transactions with related parties during the financial period:

	30.9.2020 MMK
Holding company	
Comviva Technologies Limited	
Cost allocation	**1,707,405,658**

Balances with related parties at the end of the reporting period are disclosed in Note 9 to the financial statements.

The related party transactions described above were carried out on negotiated commercial terms.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Directors (whether executive or otherwise) of the Company.

There is no compensation of key management personnel during the financial year.

15. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Company is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the period ended 30 September 2020.

The Company monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements.

(b) Financial instruments

	30.9.2020 MMK
Trade and other receivables	
Trade and other receivables, net of prepayments	685,768,238
Cash and bank balances	2,193,579,618
	2,879,347,856

	30.9.2020 MMK
Other financial liabilities	
Trade and other payables, net of accrual	1,751,185,290

(c) Methods and assumptions used to estimate fair value

The fair values of financial instruments that are not carried at fair value are determined as follows:

- The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, other payables and borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating instruments that are re- priced to market interest rates on or near the end of the reporting year.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Company is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from credit risk, liquidity risk and cash flow risk and foreign currency risk.

Financial risk management is carried out through risk review programmes, internal control systems and adherence to the financial risk management policies of the Company. The Board regularly reviews these risks and approves such policies that cover the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. The exposure of the Company to financial risks and the management of its related exposures are as follows:

(a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable financial institutions and organisations. It is the policy of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Company is exposed to minimal credit risk.

The primary exposure of the Company to credit risk arises through its trade receivables. The trading terms of the Company with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one month, extending up to two months for major customers. Each customer has a maximum credit limit and the Company seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Financial risk management is carried out through risk review programmes, internal control systems and adherence to the financial risk management policies of the Company. The Board regularly reviews these risks and approves such policies that cover the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. The exposure of the Company to financial risks and the management of its related exposures are as follows: (continued)

Exposure to credit risk

At the end of each reporting year, the maximum exposure of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Information regarding trade and other receivables is disclosed in Note 6 to the financial statements.

Credit risk concentration profile

As at the reporting date, trade receivable of the Company mainly comprises amounts owing from only one counterparties.

The Company determines concentrations of credit risk by monitoring the customers' profile of its trade receivables on an ongoing basis.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 6 to the financial statements.

(b) Liquidity and cash flow risk

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Company measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Company.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates.

The Company is not significantly exposed to foreign currency risk as majority of the transactions, assets and liabilities of the Company are denominated in Myanmar Kyats. The Company is exposed to transactional currency risk primarily through borrowings and cash and bank balances that are denominated in a currency other than the functional currency of the operations to which they relate.

The currency giving rises to this risk is primarily USD. Foreign currency exposures in transactional currencies other than functional currency of the Company are kept to an acceptable level.

Financial risk management is carried out through risk review programmes, internal control systems and adherence to the financial risk management policies of the Company. The Board regularly reviews these risks and approves such policies that cover the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. The exposure of the Company to financial risks and the management of its related exposures are as follows:

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the profit after tax of the Company to a reasonably possible change in the USD, exchange rates against the functional currency of the Company, with all other variables held constant.

		30.9.2020 MMK
MMK/USD	strengthened 3%	(2,360,791)
	weakened 3%	2,360,791

17. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The outbreak of Coronavirus Disease 2019 (COVID-19) in early 2020 has affected the business and economic environments of the Company and hence, may impact its performance and financial position in the future. However, given the unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the governments and various private corporations, the potential financial impact of the COVID-19 outbreak on the Company's 2021 financial statements could not be reasonably quantified at this juncture.

COMVIVA TECHNOLOGIES USA INC

Directors:
Neeraj Jain
Aditya Dhruva (Also Cheif Executive Officer)
Manoranjan Mohapatra

Registered No:
P19000082541

Registered Office:
8880 Freedom Crossing Trail,
Suite 200 Jacksonville, FL 32256

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

The directors submit their report together with the management accounts of Comviva Technologies USA INC ("The Company"), for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results and appropriations

The financial results of the Company for the year ended 31st March, 2021 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There are no significant events after the reporting period.

Shareholder and its interest

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The Directors who served during the year are as follows:

Neeraj Jain

Aditya Dhruva

Manoranjan Mohapatra

On behalf of the Board of Directors,

Neeraj Jain	**Aditya Dhruva**	**Manoranjan Mohapatra**
Director	**Director**	**Director**

BALANCE SHEET AS AT MARCH 31, 2021

Amount in USD

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
A	**Non current assets**			
	(a) Property, Plant and Equipment		-	-
	(b) Other Intangible assets		-	-
	(c) Financial Assets		-	-
	(d) Advance Income tax (net)		-	-
	(e) Deferred tax assets		29,560	-
	Total non-current assets		**29,560**	**-**
B	**Current Assets**			
	(a) Financial Assets			
	(i) Trade receivables		10,223	-
	(ii) Cash and cash equivalents	1	317,208	176,675
	(iii) Others financial assets		-	-
	(b) Other current assets		4,963	-
	Total current assets		**332,394**	**176,675**
	TOTAL ASSETS		**361,954**	**176,675**
II	**Equity and Liabilities**			
A	**Equity**			
	(a) Equity Share capital		-	-
	(b) Other Equity	2	289,539	(24,554)
	Equity attributable to equity holders of the Company		**289,539**	**(24,554)**
B	**Liabilities**			
1	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	3	-	200,000
	Total non-current liabilities		**-**	**200,000**
2	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade Payables		58,854	-
	(iii) Others financial liabilities	4	2,418	1,229
	(b) Other current liabilities		11,143	-
	c) Current tax liabilities (Net)		-	-
	Total current liabilities		**72,415**	**1,229**
	TOTAL EQUITY AND LIABILITIES		**361,954**	**176,675**
C	See accompanying notes forming part of the financial statements	1-5		

For and on behalf of Comviva Technologies USA Inc

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in USD

Particulars		Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I.	Revenue from operations		127,209	-
II.	Other income		-	-
III.	**Total income (I+II)**		**127,209**	**-**
IV.	**Expenses**			
	(a) Employee benefits expense		10,000	-
	(b) Subcontracting cost		-	-
	(a) Finance costs		11,611	3,054
	(b) Depreciation and Amortization expense		-	-
	(c) Other expenses	5	221,065	21,500
	Total expenses		**242,676**	**24,554**
V.	**Profit/(Loss) before tax**		(115,467)	(24,554)
VI.	**Tax expenses**			
	(a) Current tax		-	-
	(b) Deferred tax		29,560	-
VII.	**Profit/(Loss) after tax**		**(85,907)**	**(24,554)**
VIII.	**See accompanying notes forming part of the financial statements**	1-5		

For and on behalf of Comviva Technologies USA Inc

Note 1 - Cash and cash equivalents :

Amount in USD

Particulars	As at 31-Mar-21	As at 31-Mar-20
Balances with banks:		
- In current accounts	317,208	176,675
Total	**317,208**	**176,675**

Note 2- Other Equity :

Particulars	**As at**			
	March 31,2021		**March 31, 2020**	
Advance Share Application Money		400,000	-	
Surplus in the statement of profit and loss				
Opening balance	(24,554)		-	
Add: profit/(loss) for the period/year	(85,907)		(24,554)	
Closing balance		(110,461)		(24,554)
Total		**289,539**		**(24,554)**

Note 3 -Borrowings :

Long-term borrowings

Amount in USD

Particulars	As at 31-Mar-21	As at 31-Mar-20
Loan from related party	-	200,000
Total	**-**	**200,000**

Note 4 - Other Financials liabilities:

Short term Financial Liabilities

Amount in USD

Particulars	As at 31-Mar-21	As at 31-Mar-20
Inter Company Payable	2,418	1,229
Total	**2,418**	**1,229**

Note 5 - Other Expense:

Amount in USD

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Royalty and software charges	-	-
Advertising and sales promotion	130,894	-
Legal and professional fees	73,854	1,500
Conference expenses	16,317	20,000
Total	**221,065**	**21,500**

YABX INDIA PRIVATE LIMITED

Directors:

Rajat Dayal
Neeraj Jain
Ramutar Goel – appointed as on June 1st, 2021
Manas Ranjan Bal – resigned as on June 1st, 2021

Registered No:
087507

Registered Office:

8th Floor, Capital Cyberscape,
Golf Course Extension Road,
Sec 59, Gurugram,
Haryana 122102

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the First Annual Report together with Audited Balance Sheet and Statement of Profit & Loss along with cash flow statement for the year ended on March 31, 2021.

The major Financial Highlights are as under:

	Figures in INR
FINANCIAL RESULTS	**2020-21**
Total Income	1,55,140
Loss before Depreciation & Taxation	2,02,65,847
(-) Depreciation	Nil
Exceptional items :	Nil
(+) Additional consideration on sale of subsidiary	Nil
(+) Profit on sale of investment in subsidiary	Nil
(-) Provision for impairment	Nil
Profit before Taxation	2,02,65,847
(-) Provision for Income Tax	Nil
(-) Deferred Tax Reversal /(charge)	Nil
Loss for the period	2,02,65,847
EPS Basic (Rs.)	-10.13
EPS Diluted (Rs.)	-10.13

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIRS

Total Income for the year 2020-21 is Rs. 155140.

Founded in 2020, Yabx (www.yabx.co) is a FinTech Venture of Comviva Technologies Limited (www.comviva.com), a global leader in Mobility Solutions. Comviva is a subsidiary of Tech Mahindra Limited and a part of the $21 billion Mahindra Group.

Yabx was established with a vision to simplify financial access to the 2 Bn+ unbanked population in the emerging markets of Africa, Asia, and Latin America, using the mobile phone device. The Company has an unparalleled edge to provide solutions that help achieve its core purpose of financial inclusion.

Yabx's mission is to create world-class innovative products that help improve the lives of people who do not have access to regular financial services by leveraging the digital footprints of an individual and providing tailor-made financial services.

The Company uses technology and analytics to reduce the cost of delivering financial services, thereby bringing banking to the unbanked. Yabx enables financial access for all those underserved who have limited credit history or income documents. Yabx does this with the help of their partners who are leading banks, MFIs, credit bureaus, Mobile Financial Providers, MNOs, and handset manufacturers.

Yabx team is led by industry experts and entrepreneurs who have a global experience in managing telecom operators and mobile wallet providers, coupled with strong capabilities in behavioral analytics and risk management.

Currently, Yabx operates in India (New Delhi & Bangalore), and Kenya (Nairobi).

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of the business of the Company during the Financial Year 2020-21.

DIVIDEND

Due to losses, the company does not propose any dividend during the current year.

TRANSFER TO RESERVE

Since the Company has incurred a loss of Rs. 2,02,65,847 there are no amount transferred to reserves.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statement relate and the date of the report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES-

As on March 31, 2021, the Company does not have any subsidiary/Joint Venture/Associate company

DEPOSITS

Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Chapter V of the Companies Act, 2013.

STATUTORY AUDITORS

M/s B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, was appointed as First Auditor of the Company in the first board meeting of the company to hold the office of the Statutory Auditors of the Company from the conclusion of first Board Meeting until the conclusion of the ensuing Annual General Meeting and to conduct the Statutory Audit for the period ended March 31, 2021 on such remuneration as may be fixed by the Board of Directors of the Company in consultation with the Auditors.

The Board recommended its shareholders to appoint in the ensuing AGM, M/s B S R & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants, as Statutory Auditor of the company for a term of five years starting from the conclusion of this Annual General Meeting held until the conclusion of 6th consecutive Annual General Meeting of the Company.

The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under section 141(3) of the Companies Act, 2013.

AUDITOR'S REPORT

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2020-21 by M/s. B S R & Co. LLP.

There are no frauds reported by the auditors under sub-section (12) of section 143 of the Companies Act, 2013.

SHARE CAPITAL

During the financial year, there were no changes in the Share Capital of the Company.

The Authorized share capital of the Company is Rs. 50,000,000/- and paid up capital is Rs. 20,000,000/-.

EMPLOYEES STOCK OPTION PLANS

On Board's recommendation, shareholder of the company in its Extra Ordinary Meeting (EGM) held on September 11, 2020 approved the two schemes of Employee Stock Options to retain the talent of the company and rewarding employees of the company and parent company who contributed and made significant impact on the growth of the company. The drafts of these two schemes were presented to shareholder at EGM. In pursuant to the schemes, Grant Letters to all eligible participants under both schemes were issued on September 15, 2020.

ANNUAL RETURN

As per sub section 3 of section 92 and clause a of sub section 3 of section 134 of the Companies Act, 2013 the same is disclosed on www.yabx.co.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met Five (5) times during the Financial Year, notices convening meeting of the Board were duly sent to all the Directors.

Meeting	Date(s) of Meeting
Board Meeting	12th August, 2020, 11th September, 2020, 15th September, 2020, 20th October, 2020 and 27th January, 2021

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 134(3)(m)

(A) CONSERVATION OF ENERGY

a) The Steps Taken Or Impact On Conservation Of Energy:

Conservation of energy is of utmost significance to the Company. Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by using energy-efficient computers, processes and other office equipment. Constant efforts are made through regular/ preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy.

b) The Steps Taken By The Company To Utilize Alternate Sources Of Energy:

As Company has taken all their premises on lease, alternate source of energy could not be installed.

c) The Capital Investment On Energy Conservation Equipment:

There is no capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

(i) The Efforts Made Towards Technology Absorption

The Company is doing activity on behalf of Yabx Technologies BV, the company incorporated in Netherlands, on cost plus margin. All the commercial activities and production are being carried out by the company are neither owned by it nor it will create any intellectual property rights out of any deliverables.

(ii) The Benefits Derived Like Product Improvement, Cost Reduction, Product Development or Import Substitution;

Since the Company is being operated as cost plus margin for its group Company Yabx Technologies BV, the company is not able to claim any benefits derived like product improvement, cost reduction, product development etc.

(iii) In Case Of Imported Technology (Imported During Last Three Years Reckoned From The Beginning Of The Financial Year)

Company has not imported technology during the previous year.

C. FOREIGN EXCHANGE EARNINGS & OUTFLOWS

Till the end of the financial year, the Company has NIL Foreign Exchange earnings and Outflows.

DIRECTORS

A. Changes in Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of the Companies Act, 2013, Mr. Neeraj Jain (DIN: 08292243) Director, is liable to retire by rotation and being eligible for re-appointment. He has consented to continue to hold office. The Board recommends his re-appointment in the ensuing Annual General Meeting.

During the year Mr. Manas Ranjan Bal (DIN: 01816687) was appointed as an additional director with effect from 12th August, 2020. His appointment as an additional director was regularized in the Extra-Ordinary General meeting held on September 11, 2020.

Number of Board Meetings Attended

Directors	Board Meeting
Neeraj Jain	5
Rajat Dayal	5
Manas Ranjan Bal	5

B. Declaration Given by Independent Directors

The Company is not required to appoint independent director as per section 149

C. Policy for selection and appointment of Directors, KMP and their remuneration

The Company is not required to maintain Nomination and Remuneration Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence and other matters provided under section 178(3) of the Companies Act, 2013.

Further the Company is not required to devise a policy on evaluation of performance.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

The Company has adopted policy to Prevent & Deal with Sexual Harassment at Work place is in place as per the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The same is available at www.yabx.co.

During the year under report, there was no complaint which was received by the ICC.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company is not required to have vigil mechanism policy.

RISK MANAGEMENT POLICY

Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management system, organizational, structure, processes, standards, code of conduct and behaviors together form the risk management matrix that govern how the Company conducts the business and manages associated risks.

Company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Framework and Processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by fully aligned across Companywide risk management, internal control and internal audit methodologies and process.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of section 135 of Companies Act, 2013 is not applicable on the Company.

COST RECORD

The provision of Cost audit as per section 148 doesn't applicable on the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 AS ON DATE

The Company has not made any Investment, given guarantee and securities during the year under review. There for no need to comply provisions of section 186 of Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been annexed in AOC-2 as Annexure 1.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant and material order passed by the regulators or courts or tribunals impacting

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIALS CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is confirmed:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the period under review, the Company has not appointed any Independent Director therefore, the requirement to provide a statement in this regard is not required.

STATEMENT REGARDING COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Company is in process to further strengthen its Compliance mechanism with respect to Secretarial Standards issued by The Institute of Company Secretaries of India and it has complied with the applicable Secretarial Standards.

ACKNOWLEDGEMENT

Your Directors on behalf of the Company and management express their gratitude for the co-operation and support received from Customers, Vendors, Shareholders, Bankers, various agencies and departments of Government.

The Directors also place on record their appreciation for the true team spirit, valued contributions and efforts put in by the employees at all levels.

For and on behalf of
Yabx India Private Limited

Ramutar Goel
Director
DIN: 08163676
Place: Delhi

Neeraj Jain
Director
DIN: 08292243
Place: Gurugram

Date: July 8, 2021

ANNEXURE-1

S.No.	Name(s) of the related party and nature of relationship		Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances /Loan, if any
1	Comviva Technologies Limited	Holding company	Transfer from Parent Company	01-Jan-2021 to 31-Mar-2021	2,087,927	NA	
2	Mr. Rajat Dayal*	Director	Managerial Remuneration	01-Jan-2021 to 31-Mar-2021	7,500,000	NA	

*Does not include ESOP and any other benefits extended above CTC

Ramutar Goel
Director
DIN: 08163676

Place: Delhi
Date: July 8, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Yabx India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yabx India Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. The auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

We communicate with management 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A) As required by Section 143(3) of the Act, we report that:

   i. 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.

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   iii. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   iv. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   v. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (B) With respect to the other matters to be included in the Auditors' 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

We draw attention to Note 16 (c) to the financial statements for the year ended 31 March 2021 according to which the managerial remuneration paid by the Company exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 As per the provisions of the Act, the waiver for refund of excess remuneration paid has been approved by shareholders of the Company in the Extra -ordinary General Meeting held on 30 June 2021.The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Deepesh Sharma
Partner
Membership number: 505725
UDIN: 21505725AAAABH8741

Place: New Delhi
Date: July 08, 2021

ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of Yabx India Private Limited on the financial statements for the year ended 31 March 2021, we report the following:

(i) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no fixed assets held by the Company. Accordingly, paragraph 3(i)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no fixed assets held by the Company. Accordingly, paragraph 3(i)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property held by the Company. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company

(ii) According to the information and explanations given to us, during the current year, the Company did not hold any inventories. Therefore, the provision of paragraph 3(ii) of the order are not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. 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, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act, as amended are applicable and hence not commented upon. Moreover, in respect of the investments made by the Company, requirements of section 186 of the Companies Act, 2013 have been complied with.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India, the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) According to ·the information and explanations given to us, the central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act. 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and based on our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income Tax, Goods and Services tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Services tax, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of provident fund, income tax, cess and other statutory dues which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2021.

(viii) In our opinion and according to the information and explanations given to us, there are no loans and borrowings from financial institution, bank, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) of the order is not applicable to the Company and hence not commented upon.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of records of the Company, the managerial remuneration has paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of the Act. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Deepesh Sharma
Partner
Membership number: 505725
UDIN: 21505725AAAABH8741

Place: New Delhi
Date: July 08, 2021

BALANCE SHEET AS AT MARCH 31, 2021

Amount in INR

	Particulars	Note No.	As at March 31, 2021
I	**ASSETS**		
A	**Non-current assets**		
	(a) Income tax assets (net)		11,851
	Total non-current assets		**11,851**
B	**Current assets**		
	(a) Financial assets		
	(i) Cash and cash equivalents	3	9,472,899
	(ii) Other financial assets	4	2,087,927
	Total current assets		**11,560,826**
	TOTAL ASSETS		**11,572,677**
II	**EQUITY AND LIABILITIES**		
A	**Equity**		
	(a) Equity share capital	5	20,000,000
	(b) Other equity	6	(16,302,075)
			3,697,925
B	**Liabilities**		
1	**Non current liabilities**		
	(a) Provisions	7(i)	2,883,659
	Total non-current liabilities		**2,883,659**
2	**Current Liabilities**		
	(a) Financial liabilities		
	(iii) Trade payables	9	
	- Dues of Micro, Small and Medium enterprises		-
	- Dues of creditors other than MSME		544,560
	(iv) Other financial liabilities	10(i)	2,835,262
	(b) Other current liabilities	8	1,114,281
	(c) Provisions	7(ii)	496,990
	Total current liabilities		**4,991,093**
	TOTAL EQUITY AND LIABILITIES		**11,572,677**
	See accompanying notes forming part of financial statements	1-24	

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

For and on behalf of the Board of Directors of
Yabx India Private Limited

Deepesh Sharma
Partner
Membership No.: 505725

New Delhi
Date: July 08, 2021

Rajat Dayal
Director

Gurugram
Date: July 08, 2021

Neeraj Jain
Director

Gurugram

YABX INDIA PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in INR

	Particulars	Note No.	For the period ended March 31, 2021
I.	Revenue from operations	11	-
II.	Other income	12	155,140
III.	**Total Income (I+II)**		**155,140**
IV.	**Expenses**		
	(a) Employee benefits expense	13	19,811,324
	(b) Finance costs		-
	(c) Depreciation and amortization expense		-
	(d) Other expenses	14	609,664
	Total expenses		**20,420,987**
VII.	**Loss before tax**		**(20,265,847)**
VIII.	**Tax expenses:**		
	(a) Current tax		-
	(b) Deferred tax		-
			-
IX.	**Loss after tax**		**(20,265,847)**
X.	**Other comprehensive income/(loss)**		
A)	(I) Items that will not be reclassified to profit or loss		
	(a) Re-measurement gain/(loss) on defined benefit plans		40,065
	(II) Income tax (expenses)/income relating to items that will not be reclassified to profit or loss		-
XI.	**Other comprehensive income/(loss) for the year**		**40,065**
XII.	**Total comprehensive income/ (loss) for the year**		**(20,225,782)**
XIII.	**Earnings per Equity share (Face value of Rs. 10/- each)**	19	
	(a) Basic (in Rs.)		(10.13)
	(b Diluted (in Rs.)		(10.13)
	See accompanying notes forming part of financial statements	1-24	

As per our report of even date attached

For **B S R & Co. LLP**	For and on behalf of the Board of Directors of	
Chartered Accountants	**Yabx India Private Limited**	
Firm Registration No : 101248W/W-100022		
Deepesh Sharma	**Rajat Dayal**	**Neeraj Jain**
Partner	Director	Director
Membership No.: 505725		
New Delhi	Gurugram	Gurugram
Date: July 08, 2021	Date: July 08, 2021	

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

a. Equity share capital

Particulars	Number of Shares	Equity Share Capital (Rs.)
Balance as at July 15, 2020	-	-
Changes in equity share capital during the year	2,000,000	20,000,000
Balance as at March 31, 2021	2,000,000	20,000,000

b. Other Equity

Amount in INR

Particulars	Reserves & Surplus		
	Retained Earnings	Share option outstanding account	Total
Balance as at July 15, 2020	-	-	-
Profit for the period	(20,265,847)	-	(20,265,847)
Other comprehensive income	40,065	-	40,065
Employee share-based payment expenses	-	3,923,707	3,923,707
Total comprehensive income	**(20,225,783)**	**3,923,707**	**(16,302,076)**
Balance as at March 31, 2021	**(20,225,782)**	**3,923,707**	**(16,302,075)**

Retained Earnings:

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725

New Delhi
Date: July 08, 2021

For and on behalf of the Board of Directors of
Yabx India Private Limited

Rajat Dayal
Director

Gurugram
Date: July 08, 2021

Neeraj Jain
Director

Gurugram

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2021

Amount in INR

Particulars	For the year ended March 31, 2021 INR	INR
A] Cash flows from operating activities		
Profit before tax		(20,265,847)
Adjustments for:		
Interest income	(154,240)	
Shared based payment expesnes	3,923,707	
		3,769,467
Operating Profit before working capital changes		**(16,496,380)**
Adjustments for changes in working capital:		
Increase in provisions	3,420,714	
Increase in Trade payables and other liabilities	4,494,103	
Increase in other assets, loans and advances	(2,087,927)	
		5,826,890
Cash generated from operations		(10,669,490)
Direct taxes paid		(11,851)
Net cash flows used in operating activities (A)		**(10,681,341)**
B] Cash flows from investing activities		
Interest received	154,240	
Net Cash flows generated from investing activities (B)		**154,240**
C] Cash flows from financing activities		
Proceeds from issue of equity shares	20,000,000	
Net cash flows generated from financing activities (C)		**20,000,000**
Net increase in cash and cash equivalents(A + B+ C)		**9,472,899**
Cash & cash equivalents at the end of the period (refer note 1 below)		9,472,899
Cash & cash equivalents at the beginning of the year		-
Net increase in cash and cash equivalents		**9,472,899**

Amount in INR

Particulars	As at March 31, 2021
Note 1:	
Cash and cash equivalents include:	
Cash on hand	-
Balance with banks	
-In current accounts	9,472,899
- In deposit accounts	-
Total Cash and cash equivalents - refer note 3	**9,472,899**

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725

New Delhi
Date: July 08, 2021

For and on behalf of the Board of Directors of
Yabx India Private Limited

Rajat Dayal
Director

Gurugram
Date: July 08, 2021

Neeraj Jain
Director

Gurugram

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

1. Company Overview

Yabx India Private Limited ("the Company" or "Yabx") is a FinTech Venture of and subsidiary of Comviva Technologies Limited ("Comviva"), a global leader in Mobility Solutions. Comviva is a subsidiary of Tech Mahindra and a part of the Mahindra Group.

Yabx was established with a vision to simplify financial access to more than 2 billion unbanked population in the emerging markets using the mobile phone device. The Company has an unparalleled edge to provide solutions that help achieve its core purpose of financial inclusion.

The financial statements ('financial statement') for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on July 08, 2021.

2. Significant Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation of financial statements

These financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees, unless otherwise stated. This is being the first financial statement of the Company after incorporation, statement of profit and loss is prepared from the date of incorporation (July 15, 2020) to period ended 31 March, 2021. Also, no comparative numbers are applicable for the Company for the current period's financial statements.

These financial statements have been prepared on the historical cost basis and on accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 inputs are unobservable inputs for the asset or liability. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Use of Estimates:

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Critical accounting estimates

i) Provisions

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.9.

2.4 Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized in Statement of profit and loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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

Financial asset not measured at amortized cost is carried at fair value through profit and loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Statement of profit and loss.

Financial liabilities

Financial liabilities maturing after one year are subsequently carried at amortized cost using the effective interest method.

For trade payables and other financial liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.5 Employee benefits

i) Gratuity:

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

ii) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis.

iii) Compensated absences:

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in the Statement of Profit and Loss in the period in which they occur. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

iv) Other short term employee benefits:

Other short-term employee benefits such as performance incentives expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2.6 Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the income tax laws.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes or deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax asset are recognized 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 utilized.

The carrying amount of deferred income 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 income tax asset to be utilized.

2.7 Employee Stock Option:

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Employee stock option Reserve"

2.8 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The Company does not have any potentially dilutive shares.

2.9 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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 recognized as a finance cost.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

2.10 New accounting pronouncement to be adopted on or after April 1, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to:-

a) Change in existing presentation requirements for certain items in Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The Company is evaluating the impact of the amendments.

Note 3- Cash and cash equivalents :

Amount in INR

Particulars	As at March 31, 2021
Cash on hand	-
Balances with banks:	
- In current accounts	9,472,899
- In deposit accounts	-
Total	**9,472,899**

Note 4 - Other financial assets :

(i) - Other Financial assets : Current

Amount in INR

Particulars	As at March 31, 2021
Dues from Holding company	
- Considered good	2,087,927
- Considered doubtful	-
	2,087,927
- Provision for doubtful advances	-
	2,087,927
Total	**2,087,927**

Note 5 - Share capital :

Particulars	As at March 31, 2021	
	Number	Amount in INR
(a) Authorized :		
Equity shares of Rs. 10 each	5,000,000	50,000,000
(b) Issued, subscribed and fully paid up :		
Equity shares of Rs. 10 each fully paid up	2,000,000	20,000,000
Total	**2,000,000**	**20,000,000**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021	
	Number	Amount in INR
Equity Shares		
Opening Balance	-	-
Add: Shares issued during the period	2,000,000	20,000,000
Closing Balance	**2,000,000**	**20,000,000**

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

(iii) Details of shares held by the holding company

Particulars	Number of Shares As at March 31, 2021
Comviva Technologies Limited	1,999,990

(iv) Details of equity shares held by shareholder holding more than 5%:

Particulars	As at March 31, 2021	
	No of Shares	% of Holding#
Comviva Technologies Limited*	1,999,990	99.99%

\# This percentage of holding is presented with reference to Issued, Subscribed and Paid up.

* Balance shares are held by nominee on behalf of Comviva Technologies Limitd.

Note 6 - Other Equity :

Particulars	As at March 31, 2021	
Share options outstanding account		
Opening balance	-	
Add: addition during the year	3,923,707	
Closing balance		3,923,707
Surplus in the statement of profit and loss		
Opening balance	-	
(Less): loss for the period	(20,265,847)	
Add: Other comprehensive income	40,065	
Closing balance		(20,225,782)
Total		**(16,302,075)**

Note 7 - Provisions :

(i) Long-term provisions

Amount in INR

Particulars	As at March 31, 2021
Provision for employee benefits	
-Gratuity	2,063,049
-Compensated absences	820,610
Total	**2,883,659**

(ii) Short-term provisions

Amount in INR

Particulars	As at March 31, 2021
Provision for employee benefits	
-Gratuity	274,089
-Compensated absences	222,901
Total	**496,990**

Note 8 - Other liabilities :

(i) Current liabilities

Amount in INR

Particulars	As at March 31, 2021
Statutory remittances	1,114,281
Total	**1,114,281**

Note 9 - Trade payables :

Amount in INR

Particulars	As at March 31, 2021
Creditors for supplies / services	544,560
Creditors for supplies / services under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)*	-
Total	**544,560**

* Refer note 23 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Note 10 - Other Financial liabilities:

(i) Other Financial liabilities : Current

Amount in INR

Particulars	As at March 31, 2021
Employee related payables	2,835,262
Total	**2,835,262**

Note 11 - Revenue from operations :

Amount in INR

Particulars	For the period ended March 31, 2021
Revenue	-
Total	**-**

Note 12 - Other income :

Amount in INR

Particulars	For the period ended March 31, 2021
Interest Income	155,140
Total	**155,140**

Note 13 - Employee benefits expense :

Amount in INR

Particulars	For the period ended March 31, 2021
Salaries, wages and bonus	14,946,895
Defined Contribution/benefit plan cost	812,022
Staff welfare expenses	128,700
Share based payments to employees	3,923,707
Total	**19,811,324**

Note 14 - Other expenses :

Particulars	Amount in INR For the period ended March 31, 2021
Rates and taxes	9,320
Legal and professional fees	587,500
Miscellaneous expenses	12,843
Total	**609,664**

15. Employee Benefits

a) Defined Contribution Plan

Amounts recognised as an expense in the Statement of Profit and Loss in respect of defined contribution plan is Rs. 651,446.

b) Defined Benefit Plan - Gratuity

i) The Defined Benefit Plan comprises of Gratuity.

ii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

iii) The defined benefit plan is not funded.

iv) Actuarial gains and losses in respect of defined benefit plans are recognised in other comprehensive income.

I] Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

Particulars	Amount in INR As at March 31, 2021
Present Value of Defined Benefit Obligation as at the beginning of the year	-
Service Cost	127,274
Interest cost	33,302
Benefits Paid	-
Transfer from parent entity*	2,216,627
Actuarial (gain)/loss - experience	(40,065)
Actuarial (gain)/loss - demographic assumptions	-
Actuarial (gain)/loss - financial assumptions	-
Present Value of Defined Benefit Obligation as at the end of the year	**2,337,138**

* Comviva Technologies Limited ('Parent') has transferred employees pertaining to YABX India during the current financial year, therefore corresponding gratuity liability has been transferred to the company.

II] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Net defined benefit Asset/(Liability)

Particulars	Amount in INR As at March 31, 2021
Net defined benefit asset/(liability) at end of prior period	-
Service Cost	(127,274)
Net interest on net defined benefit liability / (asset)	(33,302)
Actuarial gain/(loss)	40,065
Employer contribution	-
Transfer from parent entity	(2,216,627)
Benefits Paid (Net)	-
Net defined benefit Asset/(Liability) recognised in Balance Sheet	**(2,337,138)**

III] Components of employer expenses recognised in the Statement of Profit and Loss:

Amount in INR

Particulars	For the period ended March 31, 2021
Service Cost	127,274
Interest cost	33,302
Expected return on plan assets	-
Net Actuarial (Gain)/ Loss	
Total expense recognised in the Statement of Profit & Loss	**160,576**

IV] Components of employer expenses recognised in the other comprehensive income:

Amount in INR

Particulars	For the period ended March 31, 2021
Actuarial (gain)/loss due to DBO experience	40,065
Actuarial (gain)/loss - demographic assumptions	-
Actuarial (gain)/loss due to DBO assumption changes	-
Remeasurement- Return on plan assets excluding amount included in interest income	-
Actuarial gain/(loss) recognised in OCI	**40,065**

V] Assumptions

Particulars	As at March 31, 2021
Discount Rate	5.90%
Salary Escalation Rate	6.00%
Employee Separation Rate	17.00%

a) Discount rate : It is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities.

b) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) Employee separation Rate: The assumption of Employee separation rate represents the company's expected experience of employee turnover.

VI] Sensitivity analysis

Particulars	As at March 31, 2021
A: Discount rate	
1. Effect on DBO due to 0.5% increase in discount rate	(63,527)
2. Effect on DBO due to 0.5% decrease in discount rate	66,804
B: Salary Escalation Rate	
1. Effect on DBO due to 0.5% increase in Salary escalation rate	59,497
2. Effect on DBO due to 0.5% decrease in Salary escalation rate	(48,146)
C: Withdrawal Rate	
1. Effect on DBO due to 5% increase in withdrawal rate	(111,012)
2. Effect on DBO due to 5% decrease in withdrawal rate	110,402

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

VII] Expected benefit payments for the period ended

1. March 31, 2022	282,059
2. March 31, 2023	284,683
3. March 31, 2024	419,675
4. March 31, 2025	589,212
5. March 31, 2026	663,996
6. March 31, 2027 to March 31, 2031	3,048,187

VIII] Expected employer contributions for the period ended March 31, 2022 -

IX] Weighted average duration of defined benefit obligation 5 years

X] Accrued benefit obligation as at March 31, 2021 1,800,303

XI] Vested benefit obligation as at March 31, 2021 1,433,349

XII] Plan asset information:

Particulars	As at March 31, 2021
Schemes of insurance - conventional products	100%

XIII] Description of Plan characteristics and associated risks:

The Gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

1. Interest rate risk
2. Salary Inflation risk
3. Demographic risk

16. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the Related Party	Extent of holding / Relationship
Tech Mahindra Limited	Ultimate Holding company
Comviva Technologies Limited	Holding company
Key Management Personnel:	
Rajat Dayal	Whole time Director

b) Transactions with Related Parties:

Amount in INR

Particulars	Transactions For the period ended March 31, 2021 Expense		Balance as at March 31, 2021 Assets / (Liabilities)	
	Reimbursement of Expenses	Managerial Remuneration	Loans & other financial assets	Accrued benefit payable
Holding Company				
Comviva Technologies Limited	128,700	-	2,087,927	-
Key Management Personnel*				
Rajat Dayal	-	1,791,693	-	(468,750)

*The breakup of compensation of key management personnel is as follows:

Amount in INR

Key Management Personnel	Short-term employee benefits	Post-employment benefits***	Other long-term benefits***	Termination benefits	Total
Rajat Dayal	1,791,693	-	-	-	1,791,693
	1,791,693	**-**	**-**	**-**	**1,791,693**

*** Employment benefits comprising gratuity, and compensated absences are not disclosed as these are determined for the company as a whole.

c) The Company had paid managerial remuneration to Mr Rajat Dayal (Whole time director) of the Company amounting to Rs. 1,791,693 (excluding employee benefits such as gratuity and leave encashment amounting to Rs 27,057, which are determined for the company as a whole) and consequently the total managerial remuneration for the financial year exceeded the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by INR 318,750. As per the provisions of the Act, the waiver for refund of excess remuneration paid has been approved by shareholders of the company in the Extra -ordinary general Meeting held on 30 June 2021.

17. Financial Instruments

I] Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2021 were as follows:

Amount in INR

Particulars	Amortised cost*	Financial assets/ liabilities at fair value through profit or loss	Financial assets at fair value through OCI	Total carrying value
Assets:				
Cash and cash equivalents (refer note 3)	9,472,899	-	-	9,472,899
Other financial assets (refer note 4)	2,087,927	-	-	2,087,927
Total	**11,560,826**	**-**	**-**	**11,560,826**
Liabilities:				
Trade payables (refer note 9)	544,560	-	-	544,560
Other financial liabilities (refer note 10(i))	2,835,262	-	-	2,835,262
Total	**3,379,822**	**-**	**-**	**3,379,822**

*Fair value of amortised assets is same as carrying value

II] Financial Risk Management

Financial Risk Factors

The Company's principal financial liabilities comprise trade payables and Employee related payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalent and dues from holding company that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes. Since presently, the Company is not having any borrowings there is no impact of fluctuations in interest on the Company.

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The Company is not exposed to significant credit risk from its operating activities as the operations of the Company not yet started.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Capital management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021

Amount in INR

Particulars	Less Than 1 Year	More Than 1 Year	Total
Trade Payables	544,560	-	544,560
Other financial liabilities	2,835,262	-	2,835,262

18. Auditor Remuneration(net of indirect taxes)

Amount in INR

Particulars	For the period ended March 31, 2021
Statutory Audit	400,000
Total	**400,000**

19 Basic and Diluted Earning per share

Amount in INR

Particulars	For the period ended March 31, 2021
Nominal value per equity share	10
Loss for the period	(20,265,847)
Loss attributable to equity shareholders	(20,265,847)
	No. of Shares
Weighted average number of equity shares	2,000,000
Weighted average number of diluted equity shares	2,886,347
Earning Per Share- Basic	(10.13)
Earning Per Share- Diluted	(10.13)

20 Taxation:

Amount in INR

Tax Losses	As at March 31, 2021
Unused tax losses for which no deferred tax assets has been recognised	(16,342,140)
Potential tax benefit @ 25.17%	4,112,990

The unused tax losses and depreciation that are not likely to be utilised due to lack of reasonable certainty of future taxable income. The losses can be carried forward as per details below:

Expiry Date	As at March 31, 2021
31.03.2029	(16,342,140)
Total	**(16,342,140)**

21 Employee share-based payments

The company has a two different share based employee benefit program i.e. 2020 Employee stock options plan – ESOP scheme 1 and ESOP scheme 2 that allows employees to acquire shares of the Company subject to vesting and performance conditions. A share option scheme for employees was approved on 15th September 2020 by the shareholders of the Company under which the employees of the Company were granted stock options that vest in a granted manner over a period of 3 years. An exercise price of INR 10 was fixed for this purpose.

These schemes have been awarded during the period ended 31 March 2021, whose details are given as under:-

Particulars	ESOP scheme 1	ESOP scheme 2
Maximum number of options granted under the plan	3,301,925	1,775,000
Method of settlement	Equity settled plans	Equity settled plans
Vesting period	3 years	1 years
Vesting conditions	Service period and performance based conditions	Service period

The vesting percentage basis period, of above schemes are as follows:-

Particulars	ESOP scheme 1	ESOP scheme 2
With in 1 year	20%	100%
1 to 2 years	40%	-
2 to 3 years	40%	-

Movement in respect of stock options granted to employees of the Company during the year and outstanding as at the year end is set out below:

ESOP scheme 1:-

	31-Mar-21	
Particulars	No. of options	Weighted average exercise price
Outstanding at beginning of the year	-	-
Options granted during the year	3,301,925	10
Exercised during the year	-	-
Outstanding at the end of the year	3,301,925	10
Exercisable at the end of the year	3,301,925	10

ESOP scheme 2:-

	31-Mar-21	
Particulars	No. of options	Weighted average exercise price
Outstanding at beginning of the year	-	-
Options granted during the year	1,775,000	10
Exercised during the year	-	-
Outstanding at the end of the year	1,775,000	10
Exercisable at the end of the year	1,775,000	10

The employee stock compensation cost for the Employee stock options plan – ESOP scheme 1 and ESOP scheme 2 has been computed by reference to the fair value of share options granted and amortized over each vesting period. For the period ended March 31, 2021, the Company has accounted for employee stock compensation cost (equity settled) amounting to Rs. 3,923,707.

	For the year ended March 31, 2021	
Particulars	ESOP scheme 1	ESOP scheme 2
Fair value of options	2.17 to 3.24	1.64
Exercised price	10	10
Expected Volatility (%)	32.39%	32.39%
Expected Life (in years)	2.00 to 3.71	1.04 to 2.04
Expected Dividend (%)	-	-
Risk free interest rate (%)	4.44 to 5.14	3.83 to 4.44

22 The Company has not started its operations and hence not required to disclose Segment Information as per Ind AS 108 on Operating Segments.

23 Based on the information available with the company, following creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Dues to micro and small suppliers	**As at March 31, 2021**
The amounts remaining unpaid to micro and small suppliers as at the end of the year:	
Principal	-
Interest	-
The amounts of the payments made to micro, small and medium suppliers beyond the appointed day during each accounting year.	-
The amount of interest paid under the act beyond the appointed day during the year	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the financial statements based on information received and available with the Company.

24 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. COVID-19 has impacted businesses across globe. The Company has not started its operations and hence does not have any impact on the financial statements of the Company on account of COVID - 19, however, the Company will closely monitor any material changes arising of future economic conditions and impact on its future business.

As per our report of even date attached

For **B S R & Co. LLP**	For and on behalf of the Board of Directors of	
Chartered Accountants	**Yabx India Private Limited**	
Firm Registration No : 101248W/W-100022		
Deepesh Sharma	**Rajat Dayal**	**Neeraj Jain**
Partner	Director	Director
Membership No.: 505725		
New Delhi	Gurugram	Gurugram
Date: July 08, 2021	Date: July 08, 2021	

TECH MAHINDRA LUXEMBOURG S.A R.L.

Board of Directors

Mr. Praveen Singh

Mr. Michael Joseph Patrick

Registered office

Regus Airport Center, 5 Rue Heienhaff,

(2nd Floor, WING E) L- 1736,

Senningerberg, Luxembourg

Bankers

CITIBANK EUROPE PLC

TECH MAHINDRA LUXEMBOURG SARL.

BALANCE SHEET AS AT MARCH 31, 2021

Assets	**31 March 2021 [EUR]**
D. Current assets	
II. Debtors	
2. Amount owned by affiliated undertakings	
a) becoming due and payable after less than one year	
Intercompany debtors	**93,904**
4. Other Receivables	
a) becoming due and payable after less than one year	
VAT receivable	**130**
IV. Cash at bank and in hand	
CITI-Luxembourg	139,917
TOTAL (ASSETS)	**233,951**

Values in EUR	**31 March 2021 [EUR]**
A. Capital and reserves	
I. Subscribed Capital	
Share Capital	**12,000.00**
V. Statutory reserve	**1,171**
VI. Result for the financial year	**22,250**
B. Provisions	
1. Provision for pension and similar obligation	
Provision for leave encashment	16,720
Provision for Salaries Onsite	2,393
2. Provision for taxation	
Provision for tax	**3,734**
C. Creditors	
4. Amount due to trade creditors	
a) becoming due and payable after less than one year	
Trade creditors	**20,596**
6. Amount owned to affiliated undertakings	
a) becoming due and payable after less than one year	
Trade creditors - Intercompany	**140,789**
8. Other creditors	
b Social security debts	
Social Security office (CCSS)	**14,298**
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	**233,951**

Michael Joseph Patrick
Director

Praveen Singh
Director

Date: June 30,2021
Place: Luxembourg

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

		31 March 2021 [EUR]
1	Net turnover	
	Sales Exports - Onsite	
	Intercompany Revenue	**570,238**
5.	Raw materials and consumables and other external expenses	-20,766
b)	Other external charges	-20,766
	Professional Chgs - Agency	-16,747
	Telecommunication costs	-3,251
	Other miscellaneous external charges	**-768**
6.	Staff costs	-521,778
a)	Wages and salaries	-471,471
	Base wages	-247,255
	Leave Encashment	-16,720
	Incentive	-34,815
	Other Incentive & Bonus Onsite	-14,334
	Onsite payroll other expenses	-392
	Special allowance	**-157,954**
b)	Social security costs	-48,575
	ii) other social security costs	
	Other social security costs	**-48,575**
c)	Other staff costs	-1,733
	Other staff f expenses not mentioned above	**-1,733**
14.	Interest payable and similar charges	-539
b)	other interest and similar charges	-539
	Other financial charges - other	**-539**
16.	Profit or loss after taxation	**27,155**
17.	Other taxes not shown under items 1 to 16	-3,734
	Other taxes	**-3,734**
18.	Profit or loss for the financial year	**23,421**
Transferred to other equity		22,250
Transferred to statutory reserve		1,171
Profit and loss account		**23,421**

Michael Joseph Patrick
Director

Praveen Singh
Director

Date: June 30,2021
Place: Luxembourg

ANNEX OF ANNUAL ACCOUNTS MARCH 31ST 2021

GENERAL

Financial year

The company TECH MAHINDRA LUXEMBOURG SARL (R.CS B244350) was incorporated on May 27th, 2020 for an unlimited period, as Limited company. The registered office of the company is established in 27, rue de Luxembourg - 8077 Bertrange.

The company has the purpose of the Expansion of IT services and solutions.

The Company's financial year begins on the April 1st and closes on the March 31th.

According to the article n° 313 of the law modified of August 10th, 1915 on trading companies, the company is exempted to establish the consolidated accounts.

GENERAL PRINCIPLES

The annual accounts of the Company are drawn up in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg.

Note 01 Main rules of evaluation

Foreign currency translation

The Company maintains its accounts in Euro (EUR); the balance sheet and the account of profits and losses are expressed in this currency.

At the closing date of the balance sheet:

- Formation expenses as well as intangible, tangible and financial fixed assets expressed in another currency than the currency of the balance sheet are translated at the historical foreign exchange rate;
- Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date.

The unrealized exchanges losses are recorded in the profit and loss account. The realized exchange gains are recorded in the profit and loss account at the moment of their realization. Consequently, only realized exchange gains and losses and unrealized exchange losses are reflected in the profit and loss accounts.

Formation expenses

The formation expenses are taken in charge immediately or amortized on a linear basis over a period of 5 years.

Intangible assets

Intangible assets are accounted in their acquisition price, deduction made by the corrections values.

The corrections values are calculated in a linear way on basis of their estimated useful life's.

Tangible assets

The tangible assets are accounted in their acquisition price, deduction made by the corrections values.

The corrections values are calculated in a linear way on basis of their estimated useful life's.

Financial fixed assets

Participations in affiliated companies as well as participations and securities characterized as fixed assets are valued individually at the lower of acquisition cost or market value.

The determination of the market value is based on the financial statements of the companies to be valued and/or on other available information and documents.

Receivables itemized as financial fixed assets are valued at face value. A value adjustment is carried out whenever the estimated realizable value is lower than the face value.

Accounts receivable

Accounts receivable are valued at their nominal value. A value adjustment is carried out whenever the estimated realizable value is lower than the nominal value.

Stocks

The raw and consumable are estimated at the lowest acquisition price determined according to the method average prices.

Products in progress of manufacturing and finished products are estimated at the cost price which includes (according to the art. 61 (2)) the purchase price of the raw and consumable, the direct costs of production, as well as a share of the indirect expenses. A value adjustment is applied when the estimated value of realization is lower than the cost price.

Marketable securities

The acquisition cost of marketable securities is determined on basis of the method average prices (or FIFO or LIFO or similar method). A value adjustment is applied when the estimated value of realization is lower than the acquisition cost.

Provisions for risks and charges

Provisions shall be made at year end for the purpose of covering all and any foreseeable risk and expense. Provisions relating to previous years shall be received on a regular basis and taken into result when becoming without purpose.

The immune capital gains

The immune capital gains are accounted for their difference between the value of realization of fixed assets and the accounting net value. The capital gains are deducted from the purchase price of fixed assets acquired in re-use.

Subsidies of investment

The subsidies of investment are accounted as soon as the company considers, in best of its knowledge, their probable or unquestionable obtaining.

They are accounted under deduction of the deferred taxes.

Amount net turnover

Net amount of the turnover includes amounts resulting from the sale of products and from the service corresponding to the common activities of the company, the deduction made by reductions on sales, as well as by value-added tax and the others taxes were directly connected to the turnover.

Note 02 Receivables resulting from sales and services – Receivables connected companies – Receivables on companies with which the company has a link of participation – Others Receivables

	Total
Mar-21	**EUR**
Receivables from Sales and services	
Receivables connected companies	93,904
Other receivables	
Total	**93,904**

TENZING LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST DECEMBER 2020 TO 31ST MARCH 2021

Board of Directors

Mr. Mahendran Suriyakumar Bartlett
Mr. Vishwanath Chavali
Mr. Christopher Ernest Day
Mr. Jeffrey Ferdinands

Registered Office

48b Arundel Street, Hillsborough,
Auckland, 1041 , New Zealand

Bankers

Westpac Banking Corporation
New Zealand

TENZING LIMITED SPECIAL PURPOSE FINANCIAL REPORT FOR THE PERIOD ENDED 31ST MARCH 2021

Company Directory

Company Number:	2072414
Shareholder:	Tech Mahindra (Singapore) Pte Limited
Directors:	Mr. Surijakumar Bartlett Mr. Christopher Day Mr. Viswanath Chavali (appointed 1st December 2020) Mr. Jeffrey Ferdinands (appointed 1st December 2020)
Registered Office:	48b Arundel Street Hillsborough Auckland, 1041 New Zealand
Nature of Business:	Consulting

TENZING LIMITED TRADING ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2021

	Mar 2021 4 Months NZ $
Sales	
Fees Received	9,950,089.13
Total Sales	**9,950,089.13**
Less Cost of Sales	
Opening WIP	101,978.00
Superannuation	0.00
Travelling Expenses	42,227.97
Other Direct Costs	7,586.27
Subcontracting	799,151.48
Salaries, Wages & Bonuses	7,295,558.60
	8,246,502.32
Closing WIP	34,673.25
Less Cost of Sales	**8,211,829.07**
Gross Profit from Trading	**1,738,260.06**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING LIMITED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31ST MARCH 2021

	Mar 2021
	4 Months
	NZ $
Revenue	
Gross Profit from Trading	1,738,260.06
Foreign Exchange Gains	275.07
Interest Received	743.90
Other Income	304.36
Total Income	**1,739,583.39**
Less Expenditure	
Accounting	41,810.90
Bank Fees	6,566.68
Computer Expenses	11,317.61
Communications	111,693.25
Entertainment - Deductible	18,548.11
Fringe Benefit Tax	4,981.56
General Expenses	27,221.20
Insurance	20,090.29
Legal Fees - Deductible	438.75
Office Expenses	33,969.09
Power	2,158.01
Printing & Stationery	10,883.88
Rent	182,203.08
Repairs & Maintenance	6,861.71
Salaries	947,665.58
Staff Recruitment	4,973.03
Subscriptions & Training	166,595.54
Total Cash Expenditure	**1,597,978.26**
Depreciation	**80,083.49**
Total Expenditure	**1,678,061.75**
Profit for Taxation Purposes	**61,521.64**
Less Non-Deductible Expenditure	
Entertainment - Non Deductible	18,548.11
Total Non-Deductible Expenditure	**18,548.11**
Profit Before Taxation	**42,973.53**
Income Tax Expense	(19,344.06)
Profit After Taxation	**62,317.59**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING LIMITED STATEMENT OF MOVEMENTS IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2021

	Mar 2021 4 Months NZ $
Equity as at the Beginning of the Period	**3,814,321.83**
Profit & Revaluations	
Net Profit for the Year	62,317.59
Profit & Revaluations	**3,876,639.42**
Other Movements	
Contributions from Owners	0.00
Distributions to Owners	0.00
Other Movements	**0.00**
Equity as at the End of the Period	**3,876,639.42**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING LIMITED BALANCE SHEET AS AT 31ST MARCH 2021

	Mar 2021 NZ $
Equity	
Retained Earnings	3,876,639.42
Equity	**3,876,639.42**
Current Liabilities	
GST Payable	5,046,487.26
Taxation	374,114.99
Trade Creditors	1,140,349.90
Sundry Creditors	1,345,306.93
Current Liabilities	**7,906,259.08**
Funds Employed	**11,782,898.50**
Represented by:	
Fixed Assets	407,318.28
Current Assets	
Bank Operating Accounts	1,246,658.62
Bank Savings Accounts	286,993.65
Bank Foreign Currency Accounts	53,614.93
Cadence Management Limited	3,676,393.14
Taxation	223,310.46
Prepayments	196,023.38
Trade Debtors	5,624,821.68
Sundry Debtors	33,091.11
Work in Progress	34,673.25
Current Assets	**11,375,580.22**
Total Assets	**11,782,898.50**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

1. Statement of Accounting Policies

Reporting Entity

The special purpose financial report presented here is for the entity Tenzing Limited and was authorised for issue in accordance with the annual directors resolution.

Basis of Preparation

These financial statements have been presented in accordance with the Special Purpose Framework for use by For-Profit Entities published by the Chartered Accountants of New Zealand and Australia.

The financial statements have been prepared for the entity's owners.

Historical Cost

These financial statements have been prepared on a historical cost basis, except where otherwise identified in the specific accounting policies which follow.

Changes in Accounting Policy

Policies have been applied on a basis consistent throughout the accounting period.

Exceptional Items

Exceptional items are large income and/or expense items that do not arise as a result of normal business operations and are not expected to recur. These are disclosed in the statement of profit or loss.

Where applicable the following specific accounting policies have been applied:

Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable for the sale of goods and services, to the extent that it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends are recognised on receipt, net of non-refundable tax credits.

Inventories and Work in Progress

Inventories, if any, are stated at the lower of cost (determined on a first-in-first-out basis) and net realisable value.

Work in Progress is valued at 80% of recorded time and cost.

Accounts Receivable

Accounts receivable are recognised at expected realisable value. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Foreign Currencies

Transactions in foreign currencies are converted at the Australian rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in the statement of profit or loss.

Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost or replacements that are eligible for capitalisation when these are incurred.

Depreciation

Depreciation is calculated on a straight line or diminishing value basis over the estimated useful life of the assets using depreciation rates published by the Inland Revenue.

Leases

Finance leases which effectively transfer to the entity substantially all of the risk and rewards incidental to ownership of the leased item are capitalised. Lease payments are apportioned between finance charges and reduction of the lease liability. Finance charges are recognised as an expense in profit or loss. Operating lease payments where the lessors effectively retain substantially all the risk and benefits of ownership of the lease items, are recognised as an expense on a straight line basis over the lease term.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated tax on profits for the current financial period.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

TENZING AUSTRALIA LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST DECEMBER 2020 TO 31ST MARCH 2021

Board of Directors
Mr. Mahendran Suriyakumar Bartlett
Mr. Vishwanath Chavali
Mr. Christopher Ernest Day
Mr. Jeffrey Ferdinands

Registered Office

48b Arundel Street, Hillsborough,
Auckland, 1041 , New Zealand

Bankers

Westpac Banking Corporation
Australia

TENZING AUSTRALIA LIMITED SPECIAL PURPOSE FINANCIAL REPORT FOR THE PERIOD ENDED 31ST MARCH 2021

Company Directory

Company Number:	6511812
Shareholder:	Tech Mahindra (Singapore) Pte Limited
Directors:	Mr. Surijakumar Bartlett Mr. Christopher Day Mr. Viswanath Chavali (appointed 1st December 2020) Mr. Jeffrey Ferdinands (appointed 1st December 2020)
Registered Office:	48b Arundel Street Hillsborough Auckland, 1041 New Zealand
Nature of Business:	Consulting

TENZING AUSTRALIA LIMITED TRADING ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2021

	Mar 2021 4 Months AU $
Sales	
Fees Received	1,481,604.31
Total Sales	**1,481,604.31**
Less Cost of Sales	
Opening WIP	0.00
Superannuation	2,820.38
Travelling Expenses	0.00
Other Direct Costs	34.17
Subcontracting	1,163,849.22
Salaries, Wages & Bonuses	124,160.81
	1,290,864.58
Closing WIP	0.00
Less Cost of Sales	**1,290,864.58**
Gross Profit from Trading	**190,739.73**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING AUSTRALIA LIMITED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31ST MARCH 2021

	Mar 2021 4 Months AU $
Revenue	
Gross Profit from Trading	190,739.73
Foreign Exchange Gains / (Losses)	(9,468.80)
Total Income	**181,270.93**
Less Expenditure	
Accounting	74.55
ACC Levy/ Work Cover Premiums	289.30
Bank Fees	40.00
Communications	325.44
Printing & Stationery	8.36
Total Cash Expenditure	**737.65**
Depreciation	**0.00**
Total Expenditure	**737.65**
Profit for Taxation Purposes	**180,533.28**
Less Non-Deductible Expenditure	**0.00**
Profit Before Taxation	**180,533.28**
Income Tax Expense	49,646.66
Profit After Taxation	**130,886.62**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING AUSTRALIA LIMITED STATEMENT OF MOVEMENTS IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2021

	Mar 2021 **4 Months** **AU $**
Equity as at the Beginning of the Period	**4,937,810.17**
Profit & Revaluations	
Net Profit for the Year	130,886.62
Profit & Revaluations	**130,886.62**
Other Movements	
Contributions from Owners	0.00
Distributions to Owners	0.00
Other Movements	**0.00**
Equity as at the End of the Period	**5,068,696.79**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING AUSTRALIA LIMITED BALANCE SHEET AS AT 31ST MARCH 2021

	Mar 2021 AU $
Equity	
Retained Earnings	5,068,696.79
Equity	**5,068,696.79**
Current Liabilities	
GST Payable	139,772.75
Taxation	62,233.08
Trade Creditors	991,349.18
Sundry Creditors	83,380.98
Current Liabilities	**1,276,735.99**
Funds Employed	**6,345,432.78**
Represented by:	
Fixed Assets	0.00
Current Assets	
Bank Operating Accounts	437,085.18
Tenzing Limited	4,844,240.78
Trade Debtors	1,064,106.82
Current Assets	**6,345,432.78**
Total Assets	**6,345,432.78**

This statement has not been audited and should be read in conjunction with the Notes to the Accounts.

TENZING AUSTRALIA LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

1. Statement of Accounting Policies

Reporting Entity

The special purpose financial report presented here is for the entity Tenzing Australia Limited and was authorised for issue in accordance with the annual directors resolution.

Basis of Preparation

These financial statements have been presented in accordance with the Special Purpose Framework for use by For-Profit Entities published by the Chartered Accountants of New Zealand and Australia.

The financial statements have been prepared for the entity's owners.

Historical Cost

These financial statements have been prepared on a historical cost basis, except where otherwise identified in the specific accounting policies which follow.

Changes in Accounting Policy

Policies have been applied on a basis consistent throughout the accounting period.

Where applicable the following specific accounting policies have been applied:

Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable for the sale of goods and services, to the extent that it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Dividends are recognised on receipt, net of non-refundable tax credits.

Inventories and Work in Progress

Inventories, if any, are stated at the lower of cost (determined on a first-in-first-out basis) and net realisable value.

Work in Progress is valued at 80% of recorded time and cost.

Accounts Receivable

Accounts receivable are recognised at expected realisable value. Individual debts that are known to be uncollectable are written off in the period that they are identified.

Foreign Currencies

Transactions in foreign currencies are converted at the Australian rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in the statement of profit or loss.

Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost or replacements that are eligible for capitalisation when these are incurred.

Depreciation

Depreciation is calculated on a straight line or diminishing value basis over the estimated useful life of the assets using depreciation rates published by the Inland Revenue.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated tax on profits for the current financial period.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

MOMENTON PTY LTD

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 12TH FEBRUARY 2021 TO 31ST MARCH 2021

Board of Directors

Mr. Gautam Bhasin
Mr. Jeffrey Ferdinands

Registered Office

6Level 7, 607 Bourke Street,
Melbourne, Victoria 3000

Bankers

National Australia Bank

MOMENTON PTY LTD

DETAILED BALANCE SHEET AS AT 31ST MARCH'21

Particulars	(Amt in AUD) **2021**
Current Assets	
Cash Assets	
Bank Account	2,369,557
	2,369,557
Receivable	
Account Receivable	713,287
	713,287
Others	
Prepaid Expenses	20,726
	20,726
Total Current Assets	**3,103,570**
Non Current Assets	
Property, Plant and Equipment	74,158
	74,158
Total Non Current Assets	**74,158**
Total Assets	**3,177,728**
Current Liability	
Payables	
Account Payable	24,116
Accrued Salaries & Wages	218,515
Others	275,720
	518,351
Current Tax Liabilites	
Statutory Dues	383,764
Income Tax Liability	419,407
	803,171
Total Current Liability	**1,321,522**
Net Assets	**1,856,206**
Equity	
Issued & paid up capital	1,320
Retained Earnings	1,854,886
Total Equity	**1,856,206**

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MAR 21

	(Amt in AUD)
Particulars	**2021**
Revenue from Operation	1,871,088
Other income	493
Total Income	**1,871,581**
Expenses	
Salaries and Wages, including bonus	1,710,216
Staff Welfare Expenses	1,305
Subcontracting Expenses	46,000
Rent	7,673
Communication Expenses	338
Travelling Expenses	29
Recruitment Expenses	1,282
Legal and other professional costs	30,715
Repair and maintenance Expenses	
- Machinery and Computers	(1,383)
Insurance charges	4,174
Software, Hardware and Project Specific Expenses	267
Advertisement, Promotion & Selling Expenses	14,728
General Office Expenses	514
Miscellaneous Expenses	1,551
Total Expenses	**1,817,409**
Profit from Ordinary Activities before incometax	**54,172**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 21

Note 1: Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Loans and Receivables

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the Company and are discounted to present values using the interest rate inherent in the loan.

(c) Property, Plant and Equipment (PPE)

Property, plant and equipment are carried at cost, independent of directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the assets charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

PERIGORD ASSET HOLDINGS LIMITED

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 16TH MARCH 2021 TO 31ST MARCH 2021

Board of Directors
Mr. Ritesh Mohan Idnani
Mr. Vikram Nair
Mr. Alan Martin Leamy

Registered Office
Unit 1, Lyncon Court,
IDA Business and Technology Park,
Snugborough Road, Blanchardstown,
Dublin 15

Bankers
Ulster Bank

BALANCE SHEET AS AT MARCH 31, 2021

	Note No.	Mar 21 €
Fixed Assets		
Intangible assets		1,171,704
Tangible assets		402,001
		1,573,705
Current Assets		
Stocks	1	259,260
Debtors	2	5,655,894
Cash at bank and in hand		2,255,249
		8,170,403
Creditors: Amounts falling due within one year	3	(4,799,321)
Net Current Assets		**3,371,082**
Total Assets less Current Liabilities		**4,944,787**
Creditors		
Amounts falling due after more than one year	4	(3,315,355)
Net Assets		**1,629,432**
Capital and Reserves		
Called up share capital presented as equity		4,390
Share premium account		2,930,849
Other reserves		230,163
Profit and Loss Account		(1,535,970)
Shareholders' Funds		**1,629,432**

Alan Leamy
Director

Place : Dublin
Date : June 30, 2021

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 16TH MARCH 2021 TO 31ST MARCH 2021

	Note No.	Mar 21 €
Turnover		1,166,325
Cost of sales		(633,640)
Gross profit		**532,685**
Administrative expenses		(524,470)
Operating profit		**8,215**
Interest payable and similar expenses		(20,087)
Loss before taxation		**(11,872)**
Tax on loss		-
Loss for the financial period		**(11,872)**

Alan Leamy
Director

Place : Dublin
Date : June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 16TH MARCH 2021 TO 31ST MARCH 2021

1. STOCKS

	Mar 21
	€
Work in progress	**259,260**

The replacement cost of stock did not differ significantly from the figures shown.

2. DEBTORS

	Mar 21
	€
Trade debtors	4,109,267
Other debtors	5,575
Deferred tax asset	313,317
Taxation and social welfare	265,010
Prepayments	474,476
Accrued income	488,249
	5,655,894

3. CREDITORS

Amounts falling due within one year	**Mar 21**
	€
Amounts owed to credit institutions	8,060
Net obligations under finance leases and hire purchase contracts	193,794
Trade creditors	284,916
Amounts owed to related parties	449,324
Taxation and social welfare	260,069
Accruals	1,327,964
Deferred Income	2,275,195
	4,799,321

4. CREDITORS

Amounts falling due after more than one year	**Mar 21**
	€
Shares classified as financial liabilities	3,207,139
Finance leases and hire purchase contracts	108,216
	3,315,355

PERIGORD PREMEDIA (INDIA) PRIVATE LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 16TH MARCH 2021 TO 31ST MARCH 2021

Board of Directors
Mr. Paul Thomas Leamy
Mr. Alan Martin Leamy
Mr. Manohar Alaparthi

Registered Office
Unit10A, B, C, D, 10th Floor,
Vaishnavi Cynosure, 2-48/5/6,
Plot No19, SY18, Telecom Nagar Extension,
Gachibowli, Hyderabad – 500032, Telangana

Bankers
Axis Bank

CIN : U72300TG2015FTC099343

Balance Sheet as at 31 March, 2021

	Note No.	Rs. 31-Mar-2021
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	3	5,863,558
(b) Capital work-in-progress		-
(c) Investment Property		-
(d) Goodwill		-
(e) Intangible assets	4	1,979,297
(f) Financial Assets		
(i) Investments		-
(ii) Trade receivables		-
(iii) Loans		-
(iv) Other Financial Assets		-
(g) Advance Income Taxes (Net of provisions)		-
(h) Deferred tax assets (net)	22	1,249,586
(i) Other non-current assets		-
Total Non-current Assets		**9,092,441**
Current assets		
(a) Inventories	5	840,500
(b) Financial Assets		
(i) Investments		-
(ii) Trade receivables	6	27,146,150
(iii) Cash and cash equivalents	7	29,163,277
(iv) Other Balances with Banks		-
(v) Loans	8	11,950,223
(vi) Other Financial Assets		
(c) Other current assets	9	544,821
		69,644,970
Assets held-for-sale		-
Total Current Assets		**69,644,970**
Total Assets		**78,737,411**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	10	11,578,800
(b) Other Equity	11	50,503,859
Equity Attributable to Owners of the Company		62,082,659
Non-Controlling Interests		-
Total Equity		**62,082,659**
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Other Financial Liabilities		-
(b) Provisions	12	2,404,478
(c) Deferred tax liabilities (Net)		-
(d) Other non-current liabilities		-
Total Non - Current Liabilities		**2,404,478**
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Trade payables	13	1,705,469
(iii) Other Financial Liabilities		-
(b) Other current liabilities	14	9,971,401
(c) Provisions		-
(d) Current Tax Liabilities (Net)	15	2,573,404
Total Current Liabilities		**14,250,274**
Total Equity and Liabilities		**78,737,411**

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

	Manohar Alaparthi	**Alan Martin Leamy**
Place : Hyderabad	Director	Director
Date : June 26, 2021	DIN: 07185517	DIN: 07185501

PERIGORD PREMEDIA (INDIA) PRIVATE LIMITED

CIN : U72300TG2015FTC099343

Statement of Profit and Loss for the 15 days period ended 31 March, 2021

		Note No.	Rs. 31-Mar-2021
I	Revenue from operations	16	6,799,081
II	Other Income	17	883,417
III	**Total Revenue (I +II)**		**7,682,498**
IV	**EXPENSES**		
	sub contract expenditure		-
	(Increase)/ decrease in inventories of finished goods/ work-in-progress/ stock-in-trade		(327,300)
	Employee benefit expense	18	1,343,359
	Finance costs	19	103,212
	Depreciation and amortisation expense	20	262,897
	Other expenses	21	891,604
	Total Expenses		**2,273,772**
V	Share of (Profit) / Loss of Associates		-
VI	**Profit/(loss) before Exceptional Item and Tax (III-IV-V)**		**5,408,726**
VII	Exceptional Item (net)		-
VIII	**Profit/(loss) before tax (VI+VII)**		**5,408,726**
IX	**Tax Expense**		
	Current tax		1,406,269
	MAT charge / (credit)		-
	Earlier years excess provision written back		4,065,535
	Deferred tax	22	(800,611)
	Total tax expense		**4,671,193**
X	**Profit/(loss) after Tax**		**737,533**
XI	**Profit/(Loss) for the period attributable to:**		
	Owners of the Company		737,533
	Non controlling interests		-
			737,533
XII	**Other comprehensive income**		
A	I. Items that will not be reclassified to profit or loss		
	(a) Remeasurements of the defined benefit liabilities / (asset)		-
	(b) Equity instruments through other comprehensive income		-
	II. Income tax relating to items that will not be reclassified to profit or loss		-
B	I. Items that will be reclassified to profit or loss		
	(a) Exchange differences in translating the financial statements of foreign operations		-
	(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-
	II. Income tax on items that will be reclassified to profit or loss		-
XIII	**Total comprehensive income for the period (X+XII)**		**737,533**
XIV	**Total comprehensive income for the period attributable to:**		
	Owners of the Company		737,533
	Non controlling interests		-

	Manohar Alaparthi	**Alan Martin Leamy**
Place : Hyderabad	Director	Director
Date : June 26, 2021	DIN: 07185517	DIN: 07185501

CIN : U72300TG2015FTC099343

Note -3: Plant, Property and Equipment

Rs.

Particulars	Gross Block							Accumulated Depreciation / Amortisation						Net Block (as at)
	Balance at the beginning of the period	Additions through business combination	Additions during the period / year	Deletions during the period / year	Reclassification	FCTR	Balance at the end of the period	Balance at the beginning of the period	Acquisitions through business combinations	For the period / year	Deductions during the period / year	FCTR	Balance at the end of the period	31-Mar-2021
Tangible Assets														
Freehold Land							-						-	-
Buildings							-						-	-
Computers	31,149,171						31,149,171	26,411,197		203,513	883,417		25,731,293	5,417,878
Plant and Equipments	764,777						764,777	567,317		3,278			570,595	194,182
Furniture and Fixtures	257,071						257,071	131,469		1,778			133,247	123,824
Vehicles							-						-	-
Office Equipments	802,871						802,871	670,882		4,316			675,198	127,673
Leasehold Improvements							-						-	-
ROU Assets :														
Computers							-						-	-
Plant and Equipments							-						-	-
Furniture & Fixtures							-						-	-
Office Premises							-						-	-
Residential Premises							-						-	-
Lease Land							-						-	-
Vehicles							-						-	-
Total	**32,973,890**	**-**	**-**	**-**	**-**	**-**	**32,973,890**	**27,780,865**	**-**	**212,885**	**883,417**	**-**	**27,110,333**	**5,863,558**

CIN : U72300TG2015FTC099343

Note -4 Rs.

Other Intangible Assets as at **31-Mar-2021**

Description of Assets	Intellectual property rights	Patents	Software (other than internally generated)	Customer Relationship	Brand	Total
Intangible Gross Block:						
Balance as at 1 5 March, 2021			3,743,828			3,743,828
Additions through business combination						-
Additions during the period						-
Additions from internal developments						-
Disposals or classified as held for sale						-
Revaluation increase/(decrease)						-
Effect of foreign currency exchange differences						-
Closing Gross Block	**-**	**-**	**3,743,828**	**-**	**-**	**3,743,828**
II. Accumulated depreciation and impairment for the period ended						
Balance as at 1 5 March, 2021						-
Amortisation expense for the Period			50,012			50,012
Eliminated on disposal of assets						-
Acquisitions through business combinations			1,714,519			1,714,519
Eliminated on reclassification as held for sale						-
Eliminated on Disposal of group undertakings						-
Impairment losses recognised / (Reversed) in Statement of Profit and Loss						-
Effect of foreign currency exchange differences						-
Closing Accumulated depreciation / impairment	-	-	1,764,531	-	-	1,764,531
Closing Net Block	**-**	**-**	**1,979,297**	**-**	**-**	**1,979,297**

CIN : U72300TG2015FTC099343

Note 5: Inventories

Particulars	Rs. As at 31-Mar-2021
- Hardware, Software and Product Components	840,500
Total	**840,500**

Inventory	**31-Mar-2021**
Hardware/Software/Equipments	
Components	
Any other to be specified	840,500
Total	**840,500**

CIN : U72300TG2015FTC099343

Note -6 : Trade Receivables-Current

Particulars	Rs. As at 31-Mar-2021
Trade Receivables	
Over Six Months	
(a) Unsecured, considered good*	-
(b) oubtful	-
Other Trade receivables	
(a) Unsecured, considered good**	27,146,150
(b) Doubtful	-
Less: Allowance for expected credit loss	-
TOTAL	**27,146,150**

CIN : U72300TG2015FTC099343

Note - 7 Cash and Cash Equivalents

Particulars	Rs. As at 31-Mar-2021
Current Cash and bank balances	
(a) Cash in hand	16,842
(b) Fund in Transit	-
(c) Cheques on Hand	-
d) Unrestricted Balances with banks	
(i) In Current Account	29,146,435
(ii) In Deposit Account (having original maturity less than 3 months)	-
Total Cash and cash equivalent	**29,163,277**

Reconciliation of Cash and Cash Equivalents

Particulars	Rs. As at 31-Mar-2021
Total Cash and Cash Equivalents	29,163,277
Add: Current Cash and bank balances	-
Add: Current Restricted cash and bank balances	-
Total Cash and Bank Balance	**29,163,277**

CIN : U72300TG2015FTC099343

Note 8 Loans

Particulars	Rs. As at 31-Mar-2021
a) Loans to related parties	
- Unsecured, considered good	11,950,223
TOTAL (a)	**11,950,223**
Total (a)	**11,950,223**

CIN : U72300TG2015FTC099343

Note 9 Other current assets

Particulars	Rs. As at 31-Mar-2021
a) Balance with Government Authorities	
Considered Good	-
Considered Doubtful	-
Provision	-
TOTAL (a)	**-**
b) Advances to Employees	
- Unsecured, considered good	-
- Doubtful	-
Less : Allowance for bad and doubtful loans	-
TOTAL (b)	**-**
c) Contract Assets	**-**
d) Prepaid Exp	544,821
TOTAL (d)	**544,821**
e) Deferred Contract Costs	-
f) Share application money given to subsidiaries	
Considered Good	-
TOTAL (f)	**-**
g) Other Loans and Advances	
- Secured, considered good	-
- Unsecured, considered doubtful	-
Less : Allowance for bad and doubtful advances	-
TOTAL (g)	**-**
TOTAL (a+b+c+d+e+f+g)	**544,821**

CIN : U72300TG2015FTC099343

Statement of changes in equity

Note -10: Equity share capital

Particulars	**Number of Shares**	Rs. **Equity share capital**
Authorised:		
1157880 Equity shares of INR 10 each with voting rights	1,157,880	11,578,800
Issued Subscribed and Paid up share Capital as at March 15, 2021	1,157,880	11,578,800
Less: Treasury Shares		
Balance at March 15, 2021	**1,157,880**	**11,578,800**
Changes in equity share capital during the year		
Issue of equity shares		
Changes in Treasury Shares		
Issue of equity shares under employee share option plan		
Balance at March 31, 2021	**1,157,880**	**11,578,800**

Details of shares held by each shareholder holding more than 5% shares:	**As at 31 March 21**	
Name of the shareholder	**Number of shares held**	**% holding of total shares**
Tech Mahindra Limited	1157879	99.9999%
Perigord Premedia Ltd	1	0.0001%

CIN : U72300TG2015FTC099343

Note -11: Other Equity

Rs.

Particulars	Share Application Money pending Allotment	Reserves & Surplus								Hedging Reserve	Fair Value through OCI (FVTOCI)	Foreign Currency Translation Reserve	Attributable to Owners of the Parent	Non Controlling Interests	Total
		Capital Reserve on Consolidation	Capital reserve	Securities Premium Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	SEZ reinvestment Reserve	Retained Earnings						
Balance at the beginning of reporting period April 1, 2016				11,478,800					39,521,188				50,999,988		50,999,988
															-
Profit for the period									737,533				737,533	-	737,533
Other Comprehensive Income									-	-	-	-	-	-	-
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**737,533**	**-**	**-**	**-**	**737,533**	**-**	**737,533**
Money received / Movement on account of issue of shares / exercise of Options (net)													-		-
Transfer from share option outstanding account to Securities premium on exercise of stock options													-		-
Amortised Amount of Stock Compensation Cost (net)					-								-		-
Dividends									-				-		-
Tax on Dividend									-				-		-
Transfer to / from during the period									(1,233,662)				(1,233,662)		(1,233,662)
Acquisition of Subsidiary													-		-
Acquisition of non Controlling Interests													-		-
Balance at the end of reporting period June 30, 2016	**-**	**-**	**-**	**11,478,800**	**-**	**-**	**-**	**-**	**39,025,059**	**-**	**-**	**-**	**50,503,859**	**-**	**50,503,859**

CIN : U72300TG2015FTC099343

Note - 12: Provisions Rs.

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Provision for employee benefits		
Gratuity	-	
Compensated absences and Long service awards	2,404,478	
Other Provisions		
Contingencies	-	
Others	-	
Total Provisions	**2,404,478**	**-**

CIN : U72300TG2015FTC099343

Note - 13 : Trade Payables Rs.

Particulars	As at 31-Mar-2021
Trade Payables other than Accrued Salaries and Benefits	1,705,469
Total trade payables*	**1,705,469**

CIN : U72300TG2015FTC099343

Note - 14: Other Current Liabilities Rs.

Particulars	As at 31-Mar-2021
Advances received from customers	-
Unearned revenue	-
Statutory Dues	2,024,642
Others**	7,946,759
TOTAL OTHER LIABILITIES	**9,971,401**

Note:

Please provide details of others below -

Summarised Breakup of Others (Other Current Liabilities):**

Rs.

Particulars	31-Mar-2021
i. Audit Fees payable	138,750
ii. Salaries and Bonus payable	6,427,410
iii. Other Accruals	1,380,599
Total	**7,946,759**

CIN : U72300TG2015FTC099343

Note 16 : Revenue From Operations Rs.

Particulars	As at 31-Mar-2021
Income from services	
- Foreign	6,227,481
- Domestic	571,600
Total Revenue from operations	**6,799,081**

CIN : U72300TG2015FTC099343

Note - 17: Other Income

Particulars	Rs. As at 31-Mar-2021
Sundry Balances Written Back	883,417
Total Other Income	**883,417**

CIN : U72300TG2015FTC099343

Note - 18: Employee Benefits Expense

Particulars	Rs. As at 31-Mar-2021
Salaries and wages, including bonus	469,060
Gratuity	782,693
Staff welfare expenses	91,606
Total Employee Benefit Expense	**1,343,359**

CIN : U72300TG2015FTC099343

Note - 19: Finance Cost

	Rs.
Gratuity Fund charges	103,212
Total finance costs	**103,212**

CIN : U72300TG2015FTC099343

Note - 20 : Depreciation and Amortization Expense

Particular	Rs. As at 31-Mar-2021
Depreciation / Amortisation on Property ,Plant and Equipment and Intangible Assets	262,897
Amortisation on Investment Property	-
	262,897

CIN : U72300TG2015FTC099343

Note - 21: Other Expenses

Particulars	Rs. As at 31-Mar-2021
Power & Fuel Expenses	70,000
Rates and taxes	955
Communication Expenses	17,912
Training	2,500
Legal and other professional costs	176,180
Repair and maintenance Expenses	
- Buildings (including leased premises)	-
- Machinery and Computers	11,630
- Others	24,292
Insurance charges	40,665
General Office Expenses	54,443
Foreign Exchange loss	183,053
Miscellaneous Expenses	309,974
Total Other Expenses	**891,604.46**

CIN : U72300TG2015FTC099343

Note-22. Deferred tax asset

	Rs.
	As at 31-Mar-2021
Differences in WDV as per tax books and financial books	3,635,283
Others	
Gross deferred tax liability	**(945,174)**
Deferred tax asset	
Impact of expenditure debited to the statement of profit & loss in the current year but allowed for tax purposes in the subsequent years	1,170,816
Others	
Gross deferred tax asset	**(304,412)**
Deferred tax liability/(asset) (net)	**(1,249,586)**

PERIGORD DATA SOLUTIONS INDIA PRIVATE LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 16TH MARCH 2021 TO 31ST MARCH 2021

Board of Directors
Mr. Paul Thomas Leamy
Mr. Alan Martin Leamy
Mr. Manohar Alaparthi

Registered Office
Unit10A,10th Floor,
Vaishnavi Cynosure, 2-48/5/6,
Plot No19, SY18, Gachibowli
Hyderabad – 500032, Telangana

Bankers
HDFC Bank

BALANCE SHEET AS AT 31 MARCH , 2021

	Note No.	Rs. 31-Mar-2021
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	3	2,577,755
(b) Capital work-in-progress		-
(c) Investment Property		-
(d) Goodwill		-
(e) Intangible assets		-
(f) Financial Assets		
(i) Investments		-
(ii) Trade receivables		-
(iii) Loans		-
(iv) Other Financial Assets		-
(g) Advance Income Taxes (Net of provisions)		-
(h) Deferred tax assets (net)	4	990,530
(i) Other non-current assets	5	54,000
Total Non-current Assets		**3,622,285**
Current assets		
(a) Inventories		-
(b) Financial Assets		
(i) Investments		-
(ii) Trade receivables	6	12,312,816
(iii) Cash and cash equivalents	7	11,708,584
(iv) Other Balances with Banks		-
(v) Loans	8	3,151,429
(vi) Other Financial Assets		-
(c) Other current assets	9	268,621
		27,441,449
Assets held-for-sale		-
Total Current Assets		**27,441,449**
Total Assets		**31,063,734**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	10	2,081,880
(b) Other Equity	11	23,401,718
Equity Attributable to Owners of the Company		25,483,598
Non-Controlling Interests		-
Total Equity		**25,483,598**
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Other Financial Liabilities		-
(b) Provisions	12	2,018,503
(c) Deferred tax liabilities (Net)		-
(d) Other non-current liabilities		-
Total Non - Current Liabilities		**2,018,503**
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings		-
(ii) Trade payables	13	351,285
(iii) Other Financial Liabilities		-
(b) Other current liabilities	14	2,744,340
(c) Provisions		-
(d) Current Tax Liabilities (Net)	15	466,007
Total Current Liabilities		**3,561,633**
Total Equity and Liabilities		**31,063,734**

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

	Manohar Alaparthi	**Alan Martin Leamy**
Place : Hyderabad	Director	Director
Date : June 26, 2021	DIN: 07185517	DIN: 07185501

PERIGORD DATA SOLUTIONS INDIA PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE 15 DAYS PERIOD ENDED 31 MARCH , 2021

		Note No.	Rs. 31-Mar-2021
I	Revenue from operations	16	5,557,149
II	Other Income		-
III	**Total Revenue (I +II)**		**5,557,149**
IV	**EXPENSES**		
	sub contract expenditure		-
	(Increase)/ decrease in inventories of finished goods/ work-in-progress/ stock-in-trade		
	Employee benefit expense	17	4,509,794
	Finance costs		-
	Depreciation and amortisation expense	18	134,838
	Other expenses	19	213,648
	Total Expenses		**4,858,280**
V	Share of (Profit) / Loss of Associates		-
VI	**Profit/(loss) before Exceptional Item and Tax (III-IV-V)**		**698,869**
VII	Exceptional Item (net)		-
VIII	**Profit/(loss) before tax (VI+VII)**		**698,869**
IX	**Tax Expense**		
	Current tax		182,306
	MAT charge / (credit)		-
	Earlier years excess provision written back		1,728,294
	Deferred tax	4	(984,651)
	Total tax expense		**925,949**
X	Profit/(loss) after Tax		(227,080)
XI	**Profit/(Loss) for the period attributable to:**		
	Owners of the Company		(227,080)
	Non controlling interests		-
			(227,080)
XII	**Other comprehensive income**		
A	I. Items that will not be reclassified to profit or loss		
	(a) Remeasurements of the defined benefit liabilities / (asset)		-
	(b) Equity instruments through other comprehensive income		-
	II. Income tax relating to items that will not be reclassified to profit or loss		-
B	I. Items that will be reclassified to profit or loss		
	(a) Exchange differences in translating the financial statements of foreign operations		-
	(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-
	II. Income tax on items that will be reclassified to profit or loss		-
XIII	**Total comprehensive income for the period (X+XII)**		**(227,080)**
XIV	**Total comprehensive income for the period attributable to:**		
	Owners of the Company		(227,080)
	Non controlling interests		-

	Manohar Alaparthi	**Alan Martin Leamy**
Place : Hyderabad	Director	Director
Date : June 26, 2021	DIN: 07185517	DIN: 07185501

Note -3: Plant, Property and Equipment

Rs.

Particulars	Gross Block						Accumulated Depreciation / Amortisation						Net Block (as at)
	Balance at the beginning of the period	Additions through business combination	Additions during the period / year	Deletions during the period / year	FCTR	Balance at the end of the period	Balance at the beginning of the period	Acquisitions through business combinations	For the period / year	Deductions during the period / year	FCTR	Balance at the end of the period	31-Mar-2021
Tangible Assets													
Freehold Land						-						-	-
Buildings						-						-	-
Computers	7,065,873					7,065,873	4,353,281		134,838			4,488,119	2,577,754
Plant and Equipments						-						-	-
Furniture and Fixtures						-						-	-
Vehicles						-						-	-
Office Equipments						-						-	-
Leasehold Improvements						-						-	-
ROU Assets :													
Computers						-						-	-
Plant and Equipments						-						-	-
Furniture & Fixtures						-						-	-
Office Premises						-						-	-
Residential Premises						-						-	-
Lease Land						-						-	-
Vehicles						-						-	-
Total	**7,065,873**	**-**	**-**	**-**	**-**	**7,065,873**	**4,353,281**	**-**	**134,838**	**-**	**-**	**4,488,119**	**2,577,754**

Note-4. Deferred tax asset

	Rs. **As at 31-Mar-2021**
Differences in WDV as per tax books and financial books	628,142
Others	
Gross deferred tax liability / (asset)	**(163,317)**
Deferred tax asset	
Impact of expenditure debited to the statement of profit & loss in the current year but allowed for tax purposes in the subsequent years	3,181,588
Others	
Gross deferred tax asset	**(827,213)**
Deferred tax liability / (asset) (net)	**(990,530)**

Note 5 : Other non-current assets

Particulars	Rs. **As at 31-Mar-2021**
a) Balance with Government Authorities	
Considered Good	-
Considered Doubtful	-
Provision	-
TOTAL (a)	**-**
b) Capital Advances	
Considered Good	-
Considered Doubtful	-
Provision	-
TOTAL (b)	**-**
c) Prepaid Exp	-
TOTAL (c)	**-**
d) Deferred Contract Costs	-
TOTAL (d)	**-**
e) Advance towards Investments	-
TOTAL (e)	**-**
f) Share application money given to subsidiaries	
Considered Good	-
Considered Doubtful	-
Provision	-
TOTAL (f)	**-**
g) Other Loans and Advances	
- Secured, considered good	-
- Unsecured, considered doubtful	-
Less : Allowance for bad and doubtful advances	-
Unamortised preliminary expenses	54,000
TOTAL (g)	**54,000**
TOTAL (a+b+c+d+e+f+g)	**54,000**

Note -6 : Trade Receivables-Current

Particulars	Rs. As at 31-Mar-2021
Trade Receivables	
Over Six Months	
(a) Unsecured, considered good*	-
(b) Doubtful	-
Other Trade receivables	
(a) Unsecured, considered good**	12,312,816
(b) Doubtful	-
Less: Allowance for expected credit loss	-
TOTAL	**12,312,816**

Note - 7 Cash and Cash Equivalents

Particulars	Rs. As at 31-Mar-2021
Current Cash and bank balances	
(a) Cash in hand	7,080
(b) Fund in Transit	-
(c) Cheques on Hand	-
d) Unrestricted Balances with banks	
(i) In Current Account	11,701,504
(ii) In Deposit Account (having original maturity less than 3 months)	-
Total Cash and cash equivalent	**11,708,584**

Reconciliation of Cash and Cash Equivalents

Particulars	Rs. As at 31-Mar-21
Total Cash and Cash Equivalents	11,708,584
Add: Current Cash and bank balances	-
Add: Current Restricted cash and bank balances	-
Total Cash and Bank Balance	**11,708,584**

Note 8 Loans

Particulars	Rs. As at 31-Mar-2021
- Unsecured, considered good	3,151,429
Total (a)	**3,151,429**

Note 9 Other current assets

Particulars	Rs. As at 31-Mar-2021
a) Balance with Government Authorities	
Considered Doubtful	-
TOTAL (a)	**-**

Particulars		Rs. As at 31-Mar-2021
b)	**Advances to Employees**	
	- Unsecured, considered good	-
	- Doubtful	-
c)	**Contract Assets**	**-**
d)	Prepaid Exp	268,621
TOTAL	**(d)**	**268,621**
e)	Deferred Contract Costs	-
f)	**Share application money given to subsidiaries**	
Considered Good		-
TOTAL	**(f)**	**-**
g)	**Other Loans and Advances**	
	- Secured, considered good	-
	- Unsecured, considered doubtful	-
Less : Allowance for bad and doubtful advances		-
TOTAL	**(g)**	**-**
TOTAL	**(a+b+c+d+e+f+g)**	**268,621**

Statement of changes in equity

Note -10: Equity share capital

Rs.

Particulars	**Number of Shares**	**Equity share capital**
Authorised:		
208,188 Equity shares of INR 10 each with voting rights	208,188	208,188
Issued Subscribed and Paid up share Capital as at March 15, 2021	208,188	208,188
Less: Treasury Shares		
Balance at March 15, 2021	**208,188**	**208,188**
Changes in equity share capital during the period		
Issue of equity shares		
Changes in Treasury Shares		
Issue of equity shares under employee share option plan		
Balance at March 31, 2021	**208,188**	**208,188**

Details of shares held by each shareholder holding more than 5% shares:	**As at 31 March 21**	
Name of the shareholder	**Number of shares held**	**% holding of total shares**
Tech Mahindra Limited	208187	99.9995%
Perigord Premedia Ltd	1	0.0005%
		0.0%
		0.0%
		0.0%

Note -11: Other Equity

Rs.

Particulars	Share Application Money pending Allotment	Reserves & Surplus								Hedging Reserve	Fair Value through OCI (FVTOCI)	FCTR	Attributable to Owners of the Parent	Non Controlling Interests	Total
		Capital Reserve on Consolidation	Capital reserve	Securities Premium Reserve	Share Option Outstanding Account	General Reserve	Statutory Reserve	SEZ reinvestment Reserve	Retained Earnings						
Balance at the beginning of reporting period March 1,5 2021				1,981,880					21,646,918				23,628,798		23,628,798
Other Comprehensive Income									-	-	-	-	-	-	-
Transfer from share option outstanding account to Securities premium on exercise of stock options													-		-
Amortised Amount of Stock Compensation Cost (net)					-								-		-
Dividends									-				-		-
Acquisition of Subsidiary													-		-
Acquisition of non Controlling Interests													-		-
Balance at the end of reporting period March 31, 2021	**-**	**-**	**-**	**1,981,880**	**-**	**-**	**-**	**-**	**21,419,838**	**-**	**-**	**-**	**23,401,718**	**-**	**23,401,718**

Note - 12: Provisions

Particulars	Rs. As at 31-Mar-2021
Provision for employee benefits	
Gratuity	2,018,503
Compensated absences and Long service awards	-
Other Provisions	
Others	-
Total Provisions	**2,018,503**

Note - 13 : Trade Payables

Particulars	Rs. As at 31-Mar-2021
Trade Payables other than Accrued Salaries and Benefits	351,285
Total trade payables*	**351,285**

Note - 14: Other Current Liabilities

Particulars	Rs. As at 31-Mar-2021
Advances received from customers	-
Unearned revenue	-
Statutory Dues	13,08,547
Others	14,35,793
TOTAL OTHER LIABILITIES	**27,44,340**

Note 16 : Revenue From Operations

Particulars	Rs. As at 31-Mar-2021
Revenue from operations	55,57,149
Total Revenue from operations*	**55,57,149**

Note - 17: Employee Benefits Expense

Particulars	Rs. As at 31-Mar-2021
Salaries and wages, including bonus	37,28,293
Contribution to provident and other funds	-
Gratuity	7,55,405
Share Based Payments to Employees	-
Staff welfare expenses	26,096
Total Employee Benefit Expense	**45,09,794**

Note - 20 : Depreciation and Amortization Expense

Particular	Rs. As at 31-Mar-2021
Depreciation / Amortisation on Property ,Plant and Equipment and Intangible Assets	1,34,838
Amortisation on Investment Property	-
	1,34,838

Note - 19: Other Expenses

Particulars	Rs. **As at 31-Mar-2021**
Power & Fuel Expenses	40,058
Rent	(121,012)
Communication Expenses	11,177
Recruitment Expenses	1,650
Training	15,500
Legal and other professional costs	10,483
Repair and maintenance Expenses	
- Buildings (including leased premises)	-
- Machinery and Computers	569
- Others	3,319
Insurance charges	18,637
General Office Expenses	5,700
Miscellaneous Expenses	227,567
Total Other Expenses	**213,648**

TECH MAHINDRA CERIUM PRIVATE LIMITED

Board of Directors
Mr. Vivek Satish Agarwal - Director
Mr. Ravichandran Lakshminarayanan - Director
Mr. Sudhakar Palisetti - Director
Mr. Jayaraman Ganapathy - Independent Director (w.e.f 3rd June,2021)
Mr. Bangre Prabhakararao Sachin Kumar - Independent Director (w.e.f 3rd June,2021)

Committees of the Board

Audit Committee
Mr. Jayaraman Ganapathy, Chairman
Mr. Bangre Prabhakararao Sachin Kumar
Mr. Vivek Satish Agarwal

Nomination and Remuneration Committee
Mr. Vivek Satish Agarwal, Chairman
Mr. Jayaraman Ganapathy
Mr. Bangre Prabhakararao Sachin Kumar

Auditors
M/s. BSR & CO. LLP, CHARTERED ACCOUNTANTS
8th floor, Business Plaza,
Westin Hotel Campus,
36/3-8, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Bankers
HDFC Bank Limited

Registered office
No. 527, 22nd Main, Sector 1, Agara,
HSR Layout, Bangalore
Karnataka 560102 India

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eighth Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2021.

1 (a) **FINANCIAL SUMMARY/ HIGHLIGHTS: (STANDALONE)**

		(₹ in Million)
Particulars	**FY 2020-21**	**FY 2019-20**
Revenue from operations	1,651	1,257
Other income	12	26
Total Income	**1,663**	**1,283**
Employee benefits	1,601	1,134
Other expenses	146	216
Total expense	**1,747**	**1,350**
Loss Before Interest and Depreciation	(84)	(67)
Finance costs	6	13
Depreciation and Amortisation	37	27
Loss Before Tax	**(127)**	**(107)**
Tax Expenses	42	(14)
Loss After Tax	(169)	(93)
Other Comprehensive income	3	2
Total Comprehensive income	**(166)**	**(91)**
Earnings per share [Face value of share ₹ 10/- each]		
Basic EPS (in ₹)	(57.53)	(32.99)
Diluted EPS (in ₹)	(54.32)	(29.16)

(b) **FINANCIAL SUMMARY/ HIGHLIGHTS: (CONSOLIDATED)**

		(₹ in Million)
Particulars	**FY 2020-21**	**FY 2019-20**
Revenue from operations	2,098	1,549
Other income	13	26
Total Income	**2,111**	**1,575**
Employee benefits	1,905	1,377
Other expenses	149	216
Total expense	**2,054**	**1,593**
Profit /Loss Before Interest and Depreciation	57	(18)
Finance costs	6	14
Depreciation and Amortisation	40	30
Profit/Loss Before Tax	**11**	**(62)**
Tax Expenses	70	(13)
Loss After Tax	(59)	(49)
Other Comprehensive income	1	1
Total Comprehensive income	**(58)**	**(48)**
Earnings per share [Face value of share ₹ 10/- each]		
Basic EPS (in ₹)	(20.10)	(17.36)
Diluted EPS (in ₹)	(18.98)	(15.34)

2. (a) REVIEW OF OPERATIONS (STANDALONE):

The company has made a loss of ₹166 million as compared to the loss of ₹ 91 million in previous year. This year loss is mainly due to provision for contingent consideration payment by Tech Mahindra Limited of ₹ 315 million is linked to the continuity of employment of ESOP holders and shareholders. Otherwise, the company is performing well and the management of the Company is confident of maintaining a steady progress in future also.

(b) REVIEW OF OPERATIONS (CONSOLIDATED):

The Group has made a loss of ₹58 million as compared to the loss of ₹48 million in previous year. This year loss is mainly due to provision for contingent consideration payable by Tech Mahindra Limited of ₹ 315 million is linked to the continuity of employment of ESOP holders and shareholders. Otherwise, the Group is performing well and the management of the Group is confident of maintaining a steady progress in future also.

3. SHARE CAPITAL:

The Authorised Share Capital of the Company is Rs. 4,00,00,000/- (Rupees Four Crores) divided into 40,00,000 Equity Shares of Rs. 10/- each. The Issued and paid-up Share Capital of the Company is increased from Rs. 2,81,61,070/- divided into 28,16,107 Equity Shares of Rs. 10/- each as on 31st March,2020 to Rs. 3,00,20,330/- divided into 30,02,033 Equity Shares of Rs. 10/- each as on 31st March,2021. The increase in Issued and Paid up Share capital during the year under review was 1,85,926 shares of Rs 10/- each on account of exercise of ESOP's by the employees of the Company.

4. DIVIDEND AND TRANSFER TO RESERVES:

Since the operations during the year resulted in Net Loss, declaration of dividend or transfer to General Reserves did not arise.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRING BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT:

There was no material changes and commitment affecting financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

6. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of the Business during the financial year under review.

7. DETAILS OF SUBSIDIARIES, ASSOCIATE OR JOINT VENTURE COMPANIES FOR THE FINANCIAL YEAR 2020-21:

Your Company has following subsidiaries as on 31st March 2021:

i. Tech Mahindra Cerium Systems Inc (name change effective 14th Dec,2020) in United States of America

ii. Tech Mahindra Cerium Systems SDN. BHD. (name change effective 27th November,2020), Malaysia

Salient features of their financial statements are provided in Form AOC-1 is annexed to this report as **Annexure I.**

8. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors met 4 times during this financial year on the following dates:

Sl. No.	Date of Board Meeting
1	09-04-2020
2	07-07-2020
3	30-10-2020
4	27-01-2021

9. DIRECTORS & KEY MANAGERIAL PERSONNEL:

Mr. Vivek Satish Agarwal (DIN: 05218475) and Mr. Ravichandran Lakshminarayanan (DIN: 05205421) has been appointed as the Additional Directors of the Company at the Board Meeting held on 9th April,2020 and they have been regularised as a Director at the Extraordinary General Meeting held on 9th April,2020.

Mr. Bandaru Venkaiah Naidu, (DIN: 00026826), Mr. Jaya Kumar Gorla, (DIN: 02062725) and Mr Johnson Henry Geddam, (DIN: 07106129) directors of the Company resigned with effect from close of business hours of 9th of April, 2020 due to personal reasons. The Board placed on record its appreciation for the services of the outgoing directors.

Your Directors co-opted Mr Jayaraman Ganapathy (DIN: 01461157) and Mr. Bangre Prabhakararao Sachin Kumar

(DIN: 03608807), as an Additional Directors of the company w.e.f 2nd June,2021 and have been appointed as Independent Directors by the members in the Extraordinary General Meeting held on 3rd June,2021 for a term of 5 (five) consecutive years.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Vivek Satish Agarwal (DIN: 05218475) is liable to retire by rotation and offers himself for reappointment.

None of the directors were disqualified during the year under review.

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and these have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) they had prepared the annual accounts on a going concern basis; and

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

12. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2020-21 is available on the Company's website at https://www.cerium-systems.com/

13. STATUTORY AUDITOR:

M/S Prakash and Rajaguru, Chartered Accountants (Firm Registration Number 012187S), Statutory Auditors of the company, tendered their resignation from the position of Statutory Auditors for the Financial year 2020-21 due to pre-occupation in other assignments, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 (the "Act").

In order to fill the above casual vacancy M/S BSR & CO. LLP, CHARTERED ACCOUNTANTS (FRN 101248W/W-100022), were appointed as Statutory Auditors of the Company at the Extra Ordinary General Meeting held on 22nd October, 2020. They shall hold office of the Statutory Auditors of the Company till conclusion of the ensuing Annual General Meeting in 2021.

The Board consider and approved the appointment of M/S BSR & CO. LLP, CHARTERED ACCOUNTANTS (FRN 101248W/W-100022), as Statutory Auditors of the Company for a period of Five years subject to the approval of members at the ensuing Annual General Meeting.

14. EXPLANATIONS OR COMMENTS BY THE DIRECTORS ON THE QUALIFICATIONS MADE IN THE AUDITORS' REPORT:

There are no qualifications or adverse remarks in the auditors' report.

15. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO [RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]:

(A) CONSERVATION OF ENERGY:

The Company does not have huge consumption of energy as it is not into manufacturing activity. However, efforts have been made to conserve and optimize the use of energy through improved operational methods like maximum use of skylight and other energy saving devices wherever possible.

(B) TECHNOLOGY ABSORPTION:

i) The efforts made towards technology absorption;

ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)–

(a)	the details of technology imported	:	NIL
(b)	the year of import;	:	Not applicable
(c)	whether the technology been fully absorbed	:	Not applicable
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	Not applicable

The Company at present does not carry out any in-house Research & Development activity.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings: ₹ 1670 million towards services rendered.

Foreign exchange outgo: ₹ 0.2 million towards travel, business promotion.

16. DETAILS OF DEPOSITS:

The company has not received any deposits during the year as per the provision of Section 73 of Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and as covered under Chapter V of the Companies Act, 2013.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of loans/ guarantees/ investments made by the company:

Sl. No.	Particulars	Amount (in Rs.)
1.	Loans	Nil
2.	Guarantees	Nil
3.	Investments (in subsidiaries)	4 ,33,88,352/-
4.	Security extended	Nil

18. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place a Policy to address Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The following is a summary of sexual harassment complaints received and disposed of during the financial year ending March 31, 2021:

Number of complaints received : NIL

Number of complaints disposed off : NIL

20. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

21. RISK MANAGEMENT POLICY:

The provisions related to Risk Management Policy development and implementations are not applicable to your company.

22. BOARD EVALUATION

The provisions of Section 134(3) (p) read with rule 8(4) of the Companies (Accounts) Rules 2014 are not applicable to the Company. Hence details of performance evaluations are not offered.

23. TRANSACTIONS WITH RELATED PARTIES:

All the contracts/arrangements/transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

No material related party transactions were made by the Company with its Promoters, Directors or other designated persons which may have a potential conflict with the interest of the Company at large.

In view of the above the required disclosures giving particulars of contracts/arrangements with the related parties in form AOC- 2 is annexed to this report as Annexure II.

24. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The provisions contained in Section 135, Companies Act, 2013 are not applicable to the Company for the year under review.

25. MAINTENANCE OF COST RECORDS:

The Provisions contained in Section 148(1), Companies Act, 2013 are not applicable to the Company for the year under review.

26. FRAUDS REPORTED BY AUDITORS:

No frauds have been reported by the Auditor for FY 2020-21.

27. SECRETARIAL STANDARDS:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

28. VIGIL MECHANISM:

The Provisions of Vigil Mechanism are not applicable to the Company for the year under review. However, company provides equal opportunities to be heard to all the directors and employees of the company.

29. PARTICULARS OF EMPLOYEES:

There is no employee in the Company whose particulars are required to be given under Section 197 of the Companies Act, 2013 read with the Companies (Appointment Remuneration of Managerial Personal) Rules, 2014.

30. AUDIT COMMITTEE:

Pursuant to the provisions of Sub-section (8) of section 177 of the Act, the Company has constituted Audit committee on 9th June, 2021. The Composition of the Audit Committee is as mentioned below:

- Mr Jayaraman Ganapathy, Chairman
- Mr Vivek Satish Agarwal
- Mr. Bangre Prabhakararao Sachin Kumar

31. COVID 19 DISCLOSURE:

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

32. ACKNOWLEDGEMENTS:

Your directors place on record their sincere thanks to bankers, employees, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

On behalf of the Board of Directors

Tech Mahindra Cerium Private Limited

	Sudhakar Palisetti	**Vivek Satish Agarwal**
Bangalore	Director	Director
Date: June 14, 2021	[DIN: 02861107]	[DIN: 05218475]

ANNEXURE I

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	Tech Mahindra Cerium Systems Inc	Tech Mahindra Cerium Systems SDN. BHD.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January 2020 to December 2020	January 2020 to December 2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD	MYR
4.	Share capital	200 (2,00,000 shares of USD 0.001 each)	24,03,468.21 (24,03,468.21 shares of 1MYR each)
5.	Reserves & surplus	11,66,10,333	1,85,47,216
6.	Total assets	16,56,76,569	10,70,11,253
7.	Total Liabilities	4,90,53,757	4,50,88,164
8.	Investments	0	0
9.	Turnover	40,68,53,878	13,76,20,865
10.	Profit before taxation	11,08,33,399	2,66,61,157
11.	Provision for taxation	2,34,85,296	49,72,653
12.	Profit after taxation	8,73,48,103	2,16,88,504
13.	Proposed Dividend	0	0
14.	% of shareholding	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

On behalf of the Board of Directors
Tech Mahindra Cerium Private Limited

	Sudhakar Palisetti	**Vivek Satish Agarwal**
Bangalore	Director	Director
Date: June 14, 2021	[DIN: 02861107]	[DIN: 05218475]

Annexure-II

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH THE RELATED PARTIES

(AOC-2)

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. **Details of contracts or arrangements or transactions not at arm's length basis.**

There were no contracts or arrangements or transactions entered during the year ended March 31, 2021, which were not at arm's length basis.

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	(d) Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	(g)
NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. **Details of material contracts or arrangement or transactions at arm's length basis.**

Name(s) of the related party	Nature of relationship	Natureof contracts/ arrangements/ transactions	(d) Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Tech Mahindra Cerium Systems Inc	Subsidiary company	Reimbursement of expenses	On going	NIL	NIL	NIL
Tech Mahindra Limited	Holding company	Revenue from Operations	On going	NIL	NIL	NIL
Tech Mahindra Cerium Systems SDN. BHD.	Subsidiary company	Reimbursement of expenses Investment Made	On going	NIL	NIL	NIL
Sudhakar Palisetti	KMP	Remuneration	On going	NIL	NIL	NIL

Note: All the transactions with the related parties are entered by the Company during the ordinary course of business. But as a good corporate practice the details of the same are disclosed hereunder

On behalf of the Board of Directors
Tech Mahindra Cerium Private Limited

	Sudhakar Palisetti	**Vivek Satish Agarwal**
Bangalore	Director	Director
Date: June 14, 2021	[DIN: 02861107]	[DIN: 05218475]

INDEPENDENT AUDITORS' REPORT

To the Members of Tech Mahindra Cerium Private Limited (Formerly known as Cerium Systems Private Limited)

Report on the Audit of Consolidated Financial Statements Opinion

We have audited the consolidated financial statements of Tech Mahindra Cerium Private Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's Director's report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements

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

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

The respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations is responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

Other Matters

(a) The financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 107.01 million as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. 137.62 million and net cash flows (before consolidation adjustments) amounting to Rs. 31.26 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

(b) The financial statements of the Group for the year ended 31 March 2020 and the transition date balance sheet as at 1 April 2019 included in these consolidated financial statements are based on the previously issued statutory financial statements prepared in accordance with the standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016 i.e., Indian GAAP and audited by the predecessor auditor. The audit reports of the predecessor auditor on the financial statements for the year ended 31 March 2020 and 31 March 2019 dated 18 July 2020 and 03 September 2019 respectively expressed an unmodified opinion. We audited the transition adjustments for differences in accounting principles adopted by the Group on transition to Ind AS (refer Note 43 to the consolidated financial statements).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

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

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on 31 March 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 with reference to financial statements of the Holding Company, its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

   i. There were no pending litigations as at 31 March 2021 which would impact the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies during the year ended 31 March 2021.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W-W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 21215165AAAABX1610

Place: Pune
Date: June 14, 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Tech Mahindra Cerium Private Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Tech Mahindra Cerium Private Limited (hereinafter referred to as "the Holding Company"), as of that date.

In our opinion, the Holding Company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W-W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN: 21215165AAAABX1610

Place: Pune
Date: June 14, 2021

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

	Note No.	31-Mar-2021	31-Mar-2020	1-Apr-2019
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3	23	27	32
(b) Right-of-Use Asset	4	47	20	35
(c) Intangible Assets	5	0	0	-
(d) Intangible Assets under development	5	-	-	25
(e) Financial Assets				
(i) Loans	6	-	-	16
(ii) Other Financial Assets	7	9	5	7
(f) Income Taxes Assets (Net)		23	42	47
(g) Deferred Tax Assets (Net)	36	32	22	9
(h) Other Non-Current Assets	8	1	0	1
Total Non-Current Assets		**135**	**116**	**172**
Current Assets				
(a) Financial Assets				
(i) Trade Receivables	9	178	218	131
(ii) Cash and Cash Equivalents	10	394	55	49
(iii) Other Financial Assets	11	28	5	13
(b) Other Current Assets	12	130	85	63
Total Current Assets		**730**	**363**	**256**
Total Assets		**865**	**479**	**428**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	30	28	28
(b) Other Equity	14	536	271	90
Total Equity		**566**	**299**	**118**
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	-	-	23
(ii) Lease Liability		28	7	23
(iii) Other Financial Liabilities	15 A	26	-	-
(b) Provisions	16	36	27	18
Total Non - Current Liabilities		**90**	**34**	**64**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	-	25	153
(ii) Trade Payables		49	62	18
(iii) Lease Liability		23	16	14
(iv) Other Financial Liabilities	18	8	1	19
(b) Other Current Liabilities	19	65	40	41
(c) Provisions	20	4	2	1
(d) Income Tax Liabilities (Net)		60	0	0
Total Current Liabilities		**209**	**146**	**246**
Total Equity and Liabilities		**865**	**479**	**428**
Significant Accounting Policies	1-2			
Notes to the consolidated financial statements	3-43			

The notes referred to above from an integral part of the consolidated financial statements

As per our report of even date attached

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

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: June 14, 2021

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti	**Vivek Satish Agarwal**
Director	Director
DIN: 02861107	DIN: 05218475
Place: Bangalore	Place: Bangalore
Date: June 14, 2021	Date: June 14, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

		Note No.	For the year ended 31-03-2021	For the year ended 31-03-2020
I	Revenue from Operations	21	2,098	1,549
II	Other Income	22	13	26
III	**Total Revenue (I +II)**		**2,111**	**1,575**
IV	**EXPENSES**			
	Employee Benefit Expense	23	1,905	1,377
	Subcontracting Expenses		81	56
	Finance Costs	24	6	14
	Depreciation and Amortisation Expense	25	40	30
	Other Expenses	26	68	160
	Total Expenses		**2,100**	**1,637**
V	**Profit/(loss) before Tax (III-IV)**		**11**	**(62)**
VI	**Tax Expense**			
	Current tax		81	1
	Deferred Tax (credit)		(11)	(14)
	Total Tax Expense		**70**	**(13)**
VII	**Loss after Tax**		**(59)**	**(49)**
VIII	**Other Comprehensive Income**			
	I. Items that will not be re-classified to Profit or Loss			
	- Remeasurements of the Defined Benefit Liabilities / (Asset)		4	3
	- Income tax relating to items that will not be reclassified to Profit or Loss		(1)	(1)
	II. Items that may be re-classified to Profit or Loss			
	Exchange differences in translating the Financial Statements of Foreign Operations		(2)	(1)
IX	**Total Other Comprehensive Income**		**1**	**1**
X	**Total Comprehensive Income for the period (VII + IX)**		**(58)**	**(48)**
	Earnings per share ('EPS') of nominal value of share Rs. 10 (31 March 2021: Rs. 10) (March 31, 2020 : Rs. 10)			
	Basic EPS	38	(20.10)	(17.36)
	Diluted EPS	38	(18.98)	(15.34)
Significant Accounting Policies		1-2		
Notes to the consolidated financial statements		3- 43		

The notes referred to above from an integral part of the consolidated financial statements

As per our report of even date attached

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

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: June 14, 2021

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti	**Vivek Satish Agarwal**
Director	Director
DIN: 02861107	DIN: 05218475
Place: Bangalore	Place: Bangalore
Date: June 14, 2021	Date: June 14, 2021

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are Indian Rupees in Million and '0' represents amount less than million)

		For the year ended 31-03-2021	For the year ended 31-03-2020
Cash flows from operating activities:			
Profit/(Loss) Before Tax		11	(62)
Adjustments for :			
Depreciation and Amortisation Expenses		40	30
Bad debts and advance written off, allowance/(reversal) of doubtful receivables/ unbilled revenue and advances (net)		0	45
Net (gain)/loss on disposal of Property, Plant and Equipment and Intangible Assets		(0)	-
Sundry Balances written back		(0)	(0)
Finance Costs		6	14
Share Based Payments to Employees and Employment linked Contingent Consideration		324	229
Unrealised Exchange Gain/(Loss)		(2)	(1)
Interest Income		(1)	(3)
		378	**252**
Changes in working capital :			
Trade Payables, Other Liabilities and Provisions		59	38
Trade Receivables and Other Assets		(33)	(142)
Cash generated from operating activities before taxes		**404**	**148**
Income taxes paid, net		(3)	4
Net cash generated from Operating activities (A)		**401**	**152**
Cash Flow from Investing Activities:			
Purchase of property plant and equipment and intangible assets (net of disposal)		(63)	16
Investment in fixed depoits with banks having original maturity of more than 3 months		-	(1)
Interest income received		1	3
Repayment of Loan by Subsidiaries		-	16
Net cash generated from/(used in) Investing activities (B)		**(62)**	**34**
Cash Flow from Financing Activities:			
Repayment of borrowings (net)		(25)	(151)
Proceeds from Issuance of Equity Shares from exercise of stock options		2	-
Finance costs paid		(6)	(14)
Repayment of right-of-use liabilities		29	(15)
Net Cash Flow from / (used in) Financing Activities (C)		**(0)**	**(180)**
Net Increase/(decrease) in cash and cash equivalents during the year (D) = (A+B+C)		**339**	**6**
Cash and cash Equivalent at the beginning of the period (E)		**55**	**49**
Cash and Cash Equivalents at the end of the period (F) = (D+E) (refer note 10)		**394**	**55**
Significant Accounting Policies	1-2		
Notes to the standalone financial statements	3-43		

The notes referred to above from an integral part of the standalone financial statements

As per our report of even date attached

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

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: June 14, 2021

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: June 14, 2021

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: June 14, 2021

TECH MAHINDRA CERIUM PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are Indian Rupees in million except per share and number of shares data, and ‘0’ represents amount less than million)

A. Equity Share Capital

Balance as at 1 April 2019	Changes in Equity Share Capital during the year	Balance as at 31 March 2020
28	-	28

Balance as at 1 April 2020	Changes in Equity Share Capital during the year	Balance as at 31 March 2021
28	2	30

B. Other Equity (Also, Refer Note 43 for change in other equity on account of transition to Ind AS)

Currency INR

Particulars	Share application Money pending allotment	Reserves & Surplus				Foreign Currency Translation Reserve	Total
		Capital reserve	Securities Premium	Share Option Outstanding Account	Retained Earnings		
Balance as at 1st April, 2019	**-**	**-**	**68**	**5**	**20**	**(3)**	**90**
Loss for the year	-				(49)		**(49)**
Other Comprehensive Income (net of tax)	-				2	(1)	**1**
Minority transfer to reserves	-						
Transfer from share option outstanding				229			**229**
Balance as at 31st March, 2020	**-**	**-**	**68**	**234**	**(27)**	**(4)**	**271**

Currency INR

Particulars	Share application Money pending allotment	Reserves & Surplus				Foreign Currency Translation Reserve	Total
		Capital reserve	Securities Premium	Share Option Outstanding Account	Retained Earnings		
Balance as at 1st April, 2020		**-**	**68**	**234**	**(27)**	**(4)**	**271**
Loss for the year					(59)		**(59)**
Other Comprehensive Income					3	(2)	**1**
Transfer from share option outstanding account on exercise of stock options			120				**120**
Transfer to secutities premium on exercise of stock options				(120)			**(120)**
Received on exercise of options	2						**2**
Transfer on allotment of Equity shares	(2)						**(2)**
Contribution from Parent entity toward employee compensation		315					**315**
Amortised Amount of Share Based Payments to Employees (net) for the year				8	-		**8**
Transfer to retained earnings on account of lapsed stock options				(9)	9		**-**
Balance as at 31st March, 2021	**-**	**315**	**188**	**113**	**(74)**	**(6)**	**536**

As per our report of even date attached

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

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: June 14, 2021

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: June 14, 2021

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: June 14, 2021

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are Indian Rupees in million except per share and number of shares data, and '0' represents amount less than million)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Corporate Information:

Tech Mahindra Cerium Private Limited (Formerly known as Cerium Systems Private Limited) was incorporated on 5th day of September 2013 as a Company with the limited liability under the Companies Act, 1956. The Company is engaged into providing design services in semi-conductor industry and embedded software services. The address of the registered office is No.527, 22nd Main, Sector-1, Agara, HSR Layout, Karnataka, Bangalore-560102. During the current financial year, the Company was acquired by Tech Mahindra Limited pursuant to a share purchase agreement dated 09 April 2020. Accordingly, as per the proviso to section 2(71) of the Companies Act, 2013, the Company is deemed to a public company.

The Board of Directors approved the Consolidated financial statements for the year ended 31 March 2021 and authorized for issue on 14 June 2021.

2 Significant accounting policies:

2.1 Statement of Compliance:

First-time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These Ind AS fianancials prepared for the periods commencing from 1 April 2020 with restated comparative figures for the year ended 31 March 2020 in compliance with Ind AS. Accordingly, the Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at 1 April 2019, the date of Group's transition to Ind AS.

2.2 Basis for preparation of Consolidated financial statements

These consolidated financial statements are presented in Indian rupees ("INR") which is also the Group's functional currency. All amounts have been reported in Indian Rupees except for share and earnings per share data, unless otherwise stated. These consolidated financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

The consolidated financial statements comprise the financial statements of Cerium Systems Private Limited and its subsidiaries (the Group and its subsidiaries constitute "the Group"). The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

The consolidated financial statements of the Group companies are consolidated on a line-byline basis and intra-group balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

2.3 Use of Estimates:

The preparation of consolidated financial statements requires the management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of consolidated financial statements, disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical accounting estimates

i) Revenue Recognition

The Group applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations. The Group exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

ii) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. 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 policy for the same has been explained under Note 2.11.

iii) Other estimates

The share based compensation expense is determined based on the Group’s estimate of equity instruments that will eventually vest.

iv) Estimation uncertainties relating to the COVID-19 pandemic

The Group has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Group based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

2.4 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment and intangible assets are stated at cost less accumulated depreciation/amortisation and net of impairment. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

Depreciation on Property, Plant & Equipment (including assets taken on lease), other than freehold land, is charged based on the straight line method on the estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, where the life of the assets has been assessed based on internal technical estimate, considering the nature of the asset and estimated usage of the asset, the operating conditions of asset, past history of replacement, anticipated technological changes.

The estimated useful lives of assets are as follows:

Particulars	Life
Furniture and Fixtures	5 years
Vehicles	5 years
Computers	3 years
Office Equipments	5 years

The estimated useful life of intangible assets (software) is 1 to 4 years and these are amortized on a straight line basis. Project specific intangible assets are amortized over their estimated useful life on a straight line basis or over the period of the license/project period, whichever is lower.

The estimated useful life and residual values of Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period.

Assets acquired under leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

An item of Property, Plant & Equipment and intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.5 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.6 Leases:

At inception of the contract, the Group determines whether the contract is a lease or contains a lease arrangement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of- use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of- use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re- measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.7 Impairment of Assets:

i) Financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets.

Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is assessed at customer level separately. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case, those are measured at lifetime expected credit loss.

ii) Non Financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

2.8 Revenue recognition:

Revenue from business include revenue earned from services rendered on 'time and material' basis and fixed price development contracts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

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

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability (“Unearned revenue”) arises when there are billing in excess of revenue.

Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The Group accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the consolidated selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the consolidated selling price, or as a termination of the existing contract and creation of a new contract if not priced at the consolidated selling price.

The Group disaggregates revenue from contracts with customers by nature of services and geography verticals.

2.9 Foreign currency transactions:

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the profit or loss.

2.10 Financial Instruments:

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method less impairment losses, if these financial assets are held within a business model 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

Financial assets not measured at amortised cost are carried at fair value through profit or loss (FVTPL) on initial recognition, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in ‘other comprehensive income’, for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in ‘other comprehensive income’, subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL, are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortised cost, the carrying amounts approximate fair values due to the short term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised in a business combination, or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

ii) Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risk and rewards of transferred financial assets, the Group continues to recognise the financial asset and also recognises the borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligation are discharged, cancelled or have expired.

2.11 Employee Benefits

a. Defined benefit plans:

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's last drawn salary and the tenure of the employment.

b. Defined contribution plans:

i) Provident fund: The eligible employees of the Group are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the consolidated statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Group. The Group has no further obligations for future provident fund.

ii) Superannuation and ESIC: Contributions to Superannuation fund and employees' state insurance scheme (ESI), which are defined contribution schemes, are charged to the consolidated statement of profit and loss on an accrual basis. The Group has no further obligations for future superannuation fund benefits other than its annual contributions.

c. Compensated absences:

The Group provides for compensated absences and long term service awards subject to Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date and the awards are accrued based on number of years of service of an employee. It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in the Consolidated statement of profit and loss in the period in which they occur. The Group also off a short term benefi in the form of encashment of unavailed accumulated compensated absences above certain limits for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

d. Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for services rendered by employees, are recognised in the consolidated statement of profit and loss during the period when the employee renders the service.

2.12 Taxation:

Tax expense comprises of current tax and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemptions in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit has a legally enforceable right and intends to settle the asset and liability on a net basis.

Deferred income taxes: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax assets are recognised to the extent 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India. MAT credit is recognised for future economic benefits in the form of adjustment of future income tax liability and is considered as an asset if there is probable evidence that the Group will pay normal income tax.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Group recognises interest levied and penalties related to income tax assessments in interest expenses.

2.13 Employee Stock Option Plans:

Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The share based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest. The expense is recognised in the statement of profit and loss with a corresponding increase to the 'share option outstanding account', which is a component of equity.

2.14 Research and development:

Research costs are recognised as an expense in the consolidated statement of profit and loss in the period they are incurred. Development costs are recognised in the consolidated statement of profit and loss unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete the development project and use the asset and the costs can be measured reliably.

2.15 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period. For calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

2.16 Provisions and Contingent Liabilities:

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.17 Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1 April 2021. The amendments primarily relate to:

a) Change in existing presentation requirements for certain items in the Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency. The Group is currently evaluating the impact of these amendments.

Note -3: Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Total
Gross Block						
As at 1 April 2019 (at deemed cost, refer Note 43)	26	27	5	5	1	**64**
Additions	7	1	-	1	-	**9**
Disposals/Deletions	-	-	-	-	-	**-**
Balance as at 31 March 2020	**33**	**28**	**5**	**6**	**1**	**73**
Additions	3	0	-	2	0	**6**
Deletions	-	2	-	0	-	**2**
Balance as at 31 March 2021	**36**	**26**	**5**	**8**	**1**	**77**
Depreciation						
As at 1 April 2019	18	8	2	3	1	**32**
Depreciation for the year	7	5	1	1	0	**14**
Accumulated depreciation on disposals	-	-	-	-	-	**-**
Foreign currency translation reserve Impact	(0)	(0)	-	(0)	-	**(0)**
As at 31 March 2020	**25**	**13**	**3**	**4**	**1**	**46**
Depreciation for the year	4	5	1	0	0	**10**
Accumulated depreciation on disposals	-	2	-	0	-	**2**
Foreign currency translation reserve Impact	(0)	(0)	-	(0)	-	**(0)**
As at 31 March 2021	**29**	**16**	**4**	**4**	**1**	**54**
Net block						
As at 1 April 2019	8	19	3	2	0	**32**
As at 31 March 2020	8	15	2	2	0	**27**
As at 31 March 2021	**7**	**10**	**1**	**4**	**0**	**23**

Note -4: Right of Use Assets

Particulars	Office Premises	Total
As at 1 April 2019	46	46
Additions	-	-
Deletions	-	-
Balance as at 31 March 2020	46	46
Additions	56	56
Deletions	16	16
Balance as at 31 March 2021	**86**	**86**
Amortization		
As at 1 April 2019	11	11
Amortization for the year	15	15
Accumulated amortization on disposals	-	-
Foreign currency translation reserve Impact	(0)	(0)
As at 31 March 2020	26	26
Amortization for the year	29	29
Accumulated Amortization on disposals	16	16
Foreign currency translation reserve Impact	(0)	(0)
As at 31 March 2021	**39**	**39**
Net block		
As at 1 April 2019	35	35
As at 31 March 2020	20	20
As at 31 March 2021	**47**	**47**

Note -5: Intangible Assests

Particulars	Softwares	Total
Gross Block		
As at 1 April 2019	-	-
Additions	0	0
Deletions	-	-
Balance as at 31 March 2020	0	0
Additions	0	0
Deletions	-	-
Balance as at 31 March 2021	**0**	**0**
Amortization		
As at 1 April 2019	-	-
Amortization for the year	0	0
Accumulated amortization on disposals	-	-
As at 31 March 2020	0	0
Amortization for the year	0	0
Accumulated Amortization on disposals	-	-
As at 31 March 2021	**0**	**0**

Note 6

Loans-Non Current

(Unsecured considered good)

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
To related parties			
Loan to Cerium Animantion Private Limited, associate company	**-**	-	16
Total	**-**	**-**	**16**

Note 7

Other Financial Assets - Non Current

(Unsecured, considered good)

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
To parties other than related parties			
a) Interest Receivable			
Interest accrued on deposits and advances	**0**	0	0
	0	0	0
b) Security Deposits			
Unsecured, considered good	**8**	4	7
	8	4	7
c) Bank deposits/Margin Money Deposits having maturities of more than 12 months from the Balance Sheet date			
Unsecured, considered good	**1**	1	0
	1	1	0
Total	**9**	5	7

Note 8

Other Non-Current Assets

(Unsecured, considered good)

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Prepaid Expenses	**1**	0	1
Total	**1**	0	1

Note -9

Trade Receivables

(Unsecured, considered good unless otherwise stated)

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Unsecured, considered good	**178**	218	130
Credit Impaired	**0**	0	-
	178	218	130
Less: Allowance for expected credit loss	**(0)**	(0)	-
Total	**178**	218	130

Note - 10

Cash and Cash Equivalents

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Cash in hand	**0**	0	1
Balances with banks			
(i) In Current Account	**394**	55	48
(ii) In Deposit Account (with original maturity less than 3 months)	**-**	-	0
Total	**394**	55	49

Note 11

Other Financial Assets

(Unsecured, considered good)

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
a) Unbilled Revenue	**22**	3	13
	22	3	13
b) Interest Receivable			
Interest accrued on deposits, loans and advances	**-**	-	0
	-	-	0
c) Security Deposits			
Unsecured, considered good	**6**	2	-
	6	2	-
Total	**28**	5	13

Note 12

Other current assets

(Unsecured, considered good)

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
To parties other than related parties			
Advances to Employees	**4**	5	0
Contracts Assets	**116**	48	58
Prepaid Expenses	**9**	6	4
Other Advances	**1**	26	1
Total	**130**	85	63

13 Equity Share Capital

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Authorized			
40,00,000 (31st March, 2020 : 40,00,000) (1st April, 2019 : 40,00,000) equity shares of Rs. 10 each	**40**	40	40
	40	40	40
Issued, subscribed and fully paid up			
30,02,033 (March 31, 2020 : 28,16,107) (April 1, 2019 : 28,16,107) equity shares of Rs. 10 each	**30**	28	28
	30	28	28

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

	31-Mar-2021		31-Mar-2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	**2,816,107**	**28**	2,816,107	28
Issued during the year	**185,926**	**2**	-	-
At the end of the year	**3,002,033**	**30**	2,816,107	28

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Particulars of shareholders holding more than 5% shares of a class of shares

	31-Mar-21		31 March 2020		1 April 2019	
	Number of shares	% total holding in shares	Number of shares	% total holding in shares	Number of shares	% total holding in shares
Equity shares of Rs. 10 each fully paid-up held by						
Tech Mahindra Limited*	**1,808,400**	**60.24%**	-	-	-	-
NVL Holdings Pvt Ltd	**450,915**	**15.02%**	966,738	34.33%	966,738	34.33%
Surya Palisetti	**315,386**	**10.51%**	676,171	24.01%	996,171	35.37%
Sudhakar Palisetti	**166,533**	**5.55%**	357,037	12.68%	-	-
Esther Rani Geddam	**-**	**-**	317,460	11.27%	317,460	11.27%
Bandaru Venkaiah Naidu	**-**	**-**	222,276	7.89%	222,276	7.89%

* Pursuant to a share purchase agreement, Tech Mahindra Limited ('TechM') acquired 51% stake in the Company on 09 April, 2020 for a total consideration of Rs. 1,454 Million, out of which Rs. 916 Million was paid upfront to the shareholders of the Company. Further, TechM has also entered into an agreement to purchase the remaining 49% stake over a period of three-year, ending 31 March, 2023. Subsequently, TechM has acquired 9.24 % stake for Rs. 164 Million. Also, TechM has made earnout payment for first tranche amounting to Rs. 412 Million.

14 Other Equity

	31st March 2021	31st March 2020	1 April 2019
Securities Premium			
At the commencement of the year	68	68	68
Transferred from share option outstanding account on exercise of stock options	120	-	-
At the end of the year (a)	**188**	**68**	**68**
Capital Reserve			
At the commencement of the year	-	-	-
Addition on account of employment linked contingent consideration	315	-	-
At the end of the year (b)	**315**	**-**	**-**
Share option outstanding Account			
At the commencement of the year	234	5	5
Add: Amortisation of Share Based Payments to Employees (net)	8	229	-

	31st March 2021	31st March 2020	1 April 2019
Less: Transferred to Securities Premium on exercise of stock options	(120)	-	-
Less: Transfer to Retained Earnings on account of stock options lapsed	(9)	-	-
At the end of the year (c)	**113**	**234**	**5**
Retained earnings			
At the commencement of the year (Refer note 43 for change in retained earnings on account of transition to Ind AS)	(27)	20	20
Loss for the year	(59)	(49)	-
Other comprehensive income	3	2	-
Transfer from Share option oustanding account on account of options lapsed	9	-	-
Others	-0	-	-
At the end of the year (d)	**(74)**	**(27)**	**20**
Foreign currency translation reserve			
At the commencement of the year	(4)	(3)	(3)
Exchange differences in translating the Financial Statements of Foreign Operations arised during the year	(2)	(1)	-
At the end of the year (e)	**(6)**	**(4)**	**(3)**
Total (a + b + c + d + e)	**536**	**271**	**90**

Securities premium :

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

Capital Reserve:

Capital Reserve has been created on account of employment linked contingent consideration payable by Tech Mahindra Limited to employees of the company pursuant to share purchase agreement entered between Tech Mahindra Limited, the Company and its shareholders on 09 April, 2020.

Retained Earnings:

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to shareholders.

Share option outstanding Account

The company has established equity settled share based payment plans for ceratin categories of employees of the Company. Refer Note 31 for further details.

Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

Note - 15: Borrowings-Non Current

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Term Loans			
Punjab National Bank (secured)	**-**	-	2
HDFC Bank (unsecured)	**-**	-	3
Other than related parties (unsecured)	**-**	-	3
From related parties (unsecured)	**-**	-	15
Total Borrowings - Non Current	**-**	-	23

Notes:

Sr. No.	Particulars	Rate of Interest	Amount as on 01 Apr 2019	Principal Amount
1	Punjab National Bank	8.75%	2	4
2	HDFC Bank	14.99%	3	5
3	Tata Capital Finance	15%	1	5
4	Zen Lefin Private Limited	17%	2	4
5	Jaya Kumar Chakravarthi	18%	3	3
6	Sudhakar Palisetti	18%	11	11
7	Vijay Gorla	18%	0	0

- Term Loan from Punjab National Bank was secured by hypothecation for charge over existing movable assets. The same was repaid during the year ended 31 March 2020.
- Unsecured Term loan from HDFC Bank, Tata Capital finance and Zen Lefin Private Limited were repaid during the financial year ended 31 March 2020.

Note - 15 A : Other Financial Liabilities

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Bonus Payable	**26**	-	-
Total	**26**	0	0

Note - 16: Provisions - Non Current

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Provision for Employee Benefits			
Gratuity	**32**	24	18
Compensated Absences	**4**	3	-
Total	**36**	27	18

Note - 17: Borrowings -Current

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Loans repayable on demand from banks			
Cash credit facilities from Punjab National Bank (secured)	**-**	25	133
From related party - Bandaru Venkaiah Naidu	**-**	-	20
Total	**-**	25	153

Notes:

- Cash credit facilities from Punjab National Bank is secured by hypothecation charge on book debts of the Company carrying an interest rate of 8.75%

Note - 18: Other Financial Liabilities - Current

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Current maturities of long-term borrowings	**-**	-	10
Interest accrued but not due on Borrowings	**-**	-	3
Accrued Employee Liabilities	**8**	1	6
Total	**8**	1	19

Note - 19: Other Current Liabilities

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Advances received from customers	**-**	3	1
Unearned revenue	**4**	-	-
Statutory dues payable	**61**	37	36
Others	**0**	0	4
Total	**65**	40	41

Note - 20: Provisions - Current

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Provision for employee benefits			
Gratuity	**3**	1	1
Compensated Absences	**1**	1	-
Total	**4**	2	1

Note - 21: Revenue from Operations

	31-Mar-2021	**31-Mar-2020**
Sale of services	**2,098**	1,549
Total	**2,098**	1,549

Note - 22: Other Income

	31-Mar-2021	**31-Mar-2020**
Interest Income		
- On Bank deposits	**0**	0
- Others	**1**	3
Profit/ (Loss) on sale of Property, Plant & Equipments	**0**	-
Foreign Exchange gain/(loss) net	**9**	20
Sundry Balances Written Back	**0**	0
Miscellaneous Income	**3**	3
Total	**13**	26

Note - 23: Employee Benefits Expense

	31-Mar-2021	31-Mar-2020
Salaries and Wages, including bonus*	**1,844**	1,119
Contribution to Provident and other Funds	**40**	18
Gratuity	**13**	10
Share Based Payments to Employees	**8**	228
Staff Welfare Expenses	**0**	2
Total	**1,905**	1,377

*Notes:

1. Salaries and wages includes an amount of Rs. 315.16 million on account of employment linked contingent consideration pursuant to share purchase agreement entered between Tech Mahindra Limited, the Company and its shareholders on 09 April, 2020.
2. Bonus expense also includes an amount of Rs. Rs. 25.85 million million for cash bonus accrued to ESOP holders in accordance with Amended ESOP Plan 2020, which is expected to be paid out by 30 April 2023, subject to Optionee continues to be in the employment of the Company, until 31 March 2023.

Note - 24: Finance Cost

	31-Mar-2021	31-Mar-2020
Interest On Short Term Loan & Cash Credits	**0**	10
Other Interest Expense	**0**	1
Finance cost related to Lease Liabilities	**6**	3
Total	**6**	14

Note - 25 : Depreciation and Amortization Expense

	31-Mar-2021	31-Mar-2020
Depreciation/Amortisation on Property ,Plant and Equipment & Intangible Assets	**11**	15
Depreciation on ROU	**29**	15
Total	**40**	30

Note - 26: Other Expenses

	31-Mar-2021	31-Mar-2020
Power & Fuel Expenses	**2**	3
Rent	**2**	2
Rates and taxes	**0**	0
Communication Expenses	**10**	8
Travelling Expenses	**6**	20
Recruitment Expenses	**2**	1
Legal and other professional costs	**17**	47
Payment to statutory auditors (Refer Note 29)	**1**	1
Repair and maintenance Expenses		
- Buildings (including leased premises)	**3**	3
- Machinery and Computers	**0**	1
- Others	**0**	1
Insurance charges	**20**	7
Software, Hardware and Project Specific Expenses	**-**	1
Advertisement, Promotion & Selling Expenses	**0**	2
General Office Expenses	**2**	-
Allowance for Doubtful Receivables, Unbilled Revenue and Bad Debts written off	**-**	0
Bad Debts written off	**0**	45
Donation	**0**	2
Miscellaneous Expenses	**3**	16
Total	**68**	160

27 Commitments and Contingencies

a) Capital Commitments

The Group does not have any capital commitments as at year ended 31 March 2021 and 31 March 2020.

b) Bank guarantees and letters of comfort

Bank Guarantees outstanding as at 31 March, 2021: 0.64 million (31 March, 2020: 0.64 million).

c) Contingent Liabilities for Taxation Matters

There are no pending litigations on the Group.

28 Particulars of Consolidation

The financial statements present the consolidated accounts of the Group, which consists of financial statements of Tech Mahindra Cerium private limited & its subsidiaries.

Direct Subsidiaries:

i) Tech Mahindra Cerium Systems Inc

ii) Tech Mahindra Cerium Systems SDN. BHD.

29 Auditors' Remuneration (Exclusive of GST)

Particulars	31-Mar-2021	31-Mar-2020
Audit Fees	**1**	0
For other service (certifications, etc.)	**-**	0
For taxation matters	**-**	0
Total	**1**	0

(Previous year amount pertains to predecessor auditors.)

30 Related party relationships and transactions

A. Name of related party :

Name	Relation
Tech Mahindra Limited	Holding Group (w.e.f 9 April 2020)
Tech Mahindra Cerium Systems SDN BHD	Direct Subsidiary
Tech Mahindra Cerium Systems INC	Direct Subsidiary

B. Key management personnel (KMP)

Sudhakar Palisetti (Director)

Vivek Satish Agarwal (Non- Executive Director w.e.f. 9 April 2020)

Ravichandran Lakshminarayanan (Non- Executive Director w.e.f. 9 April 2020)

Johnson Henry Geddam (Director upto 9 April 2020)

Bandaru Venkaiah Naidu (Director upto 9 April 2020)

Jayakumar Gorla (Director upto 9 April 2020 and Chief Operating Officer w.e.f. 9 April 2020)

Jayaraman Ganapathy (Independent Director w.e.f. 3 June 2021)

Bangre Prabhakararao Sachin Kumar (Independent Director w.e.f. 3 June 2021)

C. Relatives of KMP

Vijay Gorla

D. Disclosure of related party transactions:

Nature of Transaction	Name of the Related Party	31-Mar-2021	31-Mar-2020
Revenue from operations	Tech Mahindra Limited	**18**	3
Subcontracting Expenses	Tech Mahindra Limited	**0**	
Expense reimbursed	Tech Mahindra Limited	**49**	0
Loans accepted/ (Repaid) (Net)	Sudhakar Palisetti	**-**	(11)
	Bandaru Venkaiah Naidu		(15)
	Vijay Gorla		(0)
	Jayakumar Gorla	**-**	(3)
Reimbursement of expenses	Jayakumar Gorla	**-**	0
Interest on Unsecured Loan	Sudhakar Palisetti	**-**	1
	Vijay Gorla		0
	Jayakumar Gorla	**-**	0
Remuneration	Sudhakar Palisetti	**7**	7
	Jayakumar Gorla	**5**	5

Remuneration excludes employment linked contingent consideration, employee stock options and provision for employee benefits as separate valuation for the key management personnel is not available.

E. Closing balances:

Nature of Transaction	Name of the Related Party	31-Mar-2021	31-Mar-2020
Unbilled Revenue	Tech Mahindra Limited	**5**	-
Trade Receivables	Tech Mahindra Limited	**1**	-

31 Share based payments

Amended Employee Stock Option Plan 2020

The Group had instituted ‘Employee Stock Option Plan 2019’ (ESOP 2019) for eligible employees of the Group. ESOP 2019 was subsequently amended in its entirety through Amended Employee Stock Option Plan 2020 (“Amended ESOP Plan 2020”) dated 11 March, 2020.The vesting period for all the options issued shall be one year from the date of grant of options. Each option carries with it the right to purchase one equity share of the Group at the exercise price determined by the Group at the time of grant.

Details of activity of the ESOP scheme

	31-Mar-2021	31-Mar-2020
Options outstanding at the beginning of the year	**376,332**	322,186
Granted during the year	**-**	54,146
Forfeited / surrendered during the year	**-**	-
Exercised during the year	**185,926**	-
Lapsed during the year	**14,646**	-
Options outstanding at the end of year	**175,760**	376,332
Options exercisable at the end of the year	**175,760**	322,186

The weighted average remaining contractual life are as follows:

Range of Exercise Price	31-Mar-2021		31-Mar-2020	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
₹ 10	0.77	175,760	1.53	376,332

Fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with following assumptions

	31-Mar-2021	31-Mar-2020
1. Exercise price (₹)	-	10.00
2. Fair value of options granted (₹)	-	652.00
3. Expected life of the option (years)	-	1.42 years -1.55 years
4. Risk free interest rate (%)	-	7.30% - 7.37%
5. Expected volatility (%)	-	41.05%
6. Dividend yield (%)	-	0.00%

During the year ended 31 March 2021, there were no options granted.

The Company recorded an employee compensation cost of 8.12 million (31 March 2020 : 228.65 million) in the Statement of Profit and Loss.

32 Transfer pricing :

The review is desired from the viewpoint of the Indian transfer pricing regulations as contained in section 92 to 92F of the Income Tax Act, 1961 read with Rules 10A to 10E of the Income Tax Rules, 1962. The objective of this study is to review the intra-group transactions of Tech Mahindra Cerium Private Limited with its AEs and to comment whether they adhere to the arm's length prInc.iple embodied in the Indian transfer pricing regulations. The Group uses Cost plus markup method.

Management believes that the Group's transactions with related parties post 31 March 2020 (last period up to which an Accountants' report has been submitted as required under the Inc.ome tax Act, 1961) continue to be at arm's length and that the transfer pricing legislation will not have any impact on these standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

33 Financial instruments - Fair values and risk management

Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

The carrying value and fair value of financial instruments by categories as of 31 March 2021 is as follows:

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Assets:				
Cash and cash equivalents	-	394	394	394
Trade receivables	-	178	178	178
Other financial assets	-	36	36	36
Total	**-**	**608**	**608**	**608**
Liabilities:				
Trade and other payables	-	-	-	-
Lease liabilities	-	51	51	51
Other financial liabilities	-	34	34	34
Total	**-**	**85**	**85**	**85**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 is as follows:

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Assets:				
Cash and cash equivalents	-	55	55	55
Trade receivables	-	218	218	218
Other financial assets	-	10	10	10
Total	**-**	**283**	**283**	**283**

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Liabilities:				
Trade and other payables	-	-	-	-
Borrowings	-	25	25	25
Lease liabilities	-	23	23	23
Other financial liabilities	-	1	1	1
Total	**-**	**49**	**49**	**49**

The carrying value and fair value of financial instruments by categories as of 1 April 2019 is as follows:

	Fair value through P&L	Amortized cost	Total carrying value	Total Fair Value*
Assets:				
Cash and cash equivalents	-	49	49	49
Trade receivables	-	131	131	131
Loans	-	16	16	16
Other financial assets	-	20	20	20
Total	**-**	**216**	**216**	**216**
Liabilities:				
Trade and other payables	-	-	-	-
Borrowings	-	176	176	176
Lease liabilities	-	37	37	37
Other financial liabilities	-	19	19	19
Total	**-**	**232**	**232**	**232**

*The fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, borrowings and certain other financial assets and liabilities approximate their carrying amount largely due to the short term nature of these instruments.

Fair value Hierarchy:

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

The different levels have been defined as follows:

Level-1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at net market value.

Level-2 – Inputs other than quoted prices included within level□1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level-3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

A. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group result in significant credit risk concentrations.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. The derivatives are entered into with banks and financial institutions with are high credit ratings.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR 608.56 million, INR.282.88 million, and INR 215.08 million as of 31 March 2021, 31 March 2020 and 1 April 2019 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, loans and other financial assets.

b) Trade receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in Note 38. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period. More than 95% of the Group's customers have been transacting with the Group for over three years, and none of these customers' balances are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics such as geographic location, industry, history with the Group and existence of previous financial difficulties.

At 31 March 2021, the carrying amount of the Group's most significant customer is 70.14 million (31 March 2020: INR 67.33 million; 1 April 2019: 41.33 million).

	As at		
	31-Mar-2021	**31-Mar-2020**	**1-Apr-2019**
Balance at the beginning of the year	**0**	-	-
Movement in the expected credit loss allowance on trade receivables and other financial assets:	**-**	0	-
Provided / (Reversed / Utilized) during the year (Net)	**-**	-	-
Balance at the end of the year	**0**	0	-

B. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange currency risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Malaysian Ringgit against the respective functional currency of the Group.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

		As at		
	Currency	**31-Mar-2021**	**31-Mar-2020**	**1-Apr-2019**
Trade Receivables	USD	**118**	141	89
Unbilled Revenue	USD	**117**	44	52
Cash and cash equivalents	USD	**0**	0	0
	MYR	**0**	0	-

		As at		
	Currency	**31-Mar-2021**	**31-Mar-2020**	**1-Apr-2019**
Payables (Trade and others)	USD	**-**	-	-

A reasonably possible strengthening by 1% of USD and MYR against the Indian Rupee as at 31 March 2021, 31 March 2020 and 1 April 2019 will affect the statement of profit and loss by the amounts shown below:

Currency	31-Mar-2021	31-Mar-2020	1-Apr-2019
USD	**2**	2	1
MYR	**0**	0	-

C. Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are remaining contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted and include contractual interest payments.

As at 31 March 2021

	Less than 1 year	1-5 years	More than 5 years	Total
Non Derivative Financial Liabilities				
Borrowings	-	-	-	-
Lease liabilities	28	30	-	58
Trade Payables	-	-	-	-
Other financial liabilities	8	26	-	34
Total	**36**	**56**	**-**	**92**

As at 31 March 2020

	Less than 1 year	1-5 years	More than 5 years	Total
Non Derivative Financial Liabilities				
Borrowings	25	-	-	25
Lease liabilities	33	58	-	91
Trade Payables	-	-	-	-
Other financial liabilities	1	-	-	1
Total	**59**	**58**	**-**	**117**

As at 1 April 2019

	Less than 1 year	1-5 years	More than 5 years	Total
Non Derivative Financial Liabilities				
Borrowings	153	23	-	176
Lease liabilities	18	91	-	109
Trade Payables	-	-	-	-
Other financial liabilities	19	-	-	19
Total	**190**	**114**	**-**	**304**

34 Post employment benefit plans

i) Defined Contribution Plans

The Company makes contributions to Provident Fund, Superannuation Fund and National Pension sheme Fund which are defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds

The Company has recognized the following expense in the Statement of Profit and Loss :

22.77 million (31 March 2020: 17.11 million) for Provident Fund contributions.

0.11 million (31 March 2020: 0.15 million) for Labour welfare funds

ii) Defined Benefit Plan

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the company operates a scheme of gratuity which is a defined benefit plan. The following table sets out the Changes in Defined Benefit Obligation ('DBO') in the Balance Sheet are as under:

	31-Mar-2021	31-Mar-2020
Present Value of Obligation	**35**	26
Fair Value of Plan Assets	**-**	-
Surplus / (Deficit)	**(35)**	(26)
Net Asset / (Liability)	**(35)**	(26)

Expenses Recognized during the period

Particulars	For the year ending	
	31-Mar-2021	31-Mar-2020
In Income Statement	**13**	10
In Other Comprehensive Income	**(4)**	(3)
Total Expenses Recognized during the period	**9**	**7**

Changes in the Present Value of Obligation

Particulars	For the year ending	
	31-Mar-2021	31-Mar-2020
Present Value of Obligation as at the beginning	**26**	19
Current Service Cost	**12**	8
Interest Expense or Cost	**2**	1
Re-measurement (or Actuarial) (gain) / loss arising from:	**(4)**	(3)
Past Service Cost	**-**	-
Effect of change in foreign exchange rates	**-**	-
Benefits Paid	**(0)**	(1)
Present Value of Obligation as at the end	**36**	**24**

Bifurcation of Present Value of Obligation at the year as per Companies Act, 2013

Particulars	For the year ending	
	31-Mar-2021	31-Mar-2020
Current	**3**	2
Non-Current	**32**	24
Present Value of Obligation	**35**	**26**

Expenses Recognised in the Income Statement

Particulars	For the year ending	
	31-Mar-2021	31-Mar-2020
Current Service Cost	**12**	8
Past Service Cost	**-**	-
Loss / (Gain) on settlement	**-**	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	**1**	2
Expenses Recognised in the Income Statement	**13**	**10**

Other Comprehensive Income

Particulars	For the year ending	
	31-Mar-2021	**31-Mar-2020**
Actuarial (gains) / losses		
- change in demographic assumptions	**-**	1
- change in financial assumptions	**0**	3
- experience variance (i.e. Actual experience vs assumptions)	**(4)**	(7)
-Components of defined benefit costs recognised in other comprehensive income	**(4)**	**(3)**

Financial Assumptions

	31-Mar-2021	**31-Mar-2020**
Discount rate (per annum)	**6.15%**	6.20%
Salary growth rate (per annum)	**4.00%**	4.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments.It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Demographic Assumptions

	31-Mar-2021	**31-Mar-2020**
Mortality rate	**100% of IALM 2012-14**	100% of IALM 2012-14
Normal retirement age	**60 Years**	60 Years
Attrition / Withdrawal rate (per annum)	**15.60%**	15.60%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future(other than on account of retirement,death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity Analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	31-Mar-2021	**31-Mar-2020**
Defined Benefit Obligation (Base)	**35**	26

	31-Mar-2021		**31-Mar-2020**	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	**37**	**33**	27	24
(% change compared to base due to sensitivity)	**6.7%**	**-6.0%**	6.9%	-6.2%
Salary Growth Rate (- / + 1%)	**33**	**37**	24	27
(% change compared to base due to sensitivity)	**-6.1%**	**6.7%**	-6.4%	7.0%
Attrition Rate (- / + 50% of attrition rates)	**36**	**33**	26	25
(% change compared to base due to sensitivity)	**1.8%**	**-6.0%**	0.9%	-0.9%
Mortality Rate (- / + 10% of mortality rates)	**35**	**35**	26	26
(% change compared to base due to sensitivity)	**0.0%**	**0.0%**	0.0%	0.0%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The scheme is managed on unfunded basis.

b) Expected Contribution during the next annual reporting period

Since the scheme is managed on unfunded basis, the next year contribution is taken as nil.

c) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	6 years

Expected cash flows over the next (valued on undiscounted basis):

1 year	3
2 to 5 years	19
6 to 10 years	17
More than 10 years	16

35 Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has applied Ind AS 116 using the modified retrospective approach, for initial application of the standard, the Group has recognised right-of-use assets and lease liabilities as at 1 April 2019, with a corresponding adjustment in equity (retained earnings) as on that date. Lease liabilities are measured by determining the present value of future lease payments on 1 April 2019, discounted at the incremental borrowing rate on that date. Right-of-use assets are calculated by arriving at the present value of leases on the commencement date considering the incremental borrowing rate on 1 April 2019.

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has used a single discount rate to a portfolio of leases with similar characteristics. The Group has used incremental borrowing rate of 12.30% p.a. as a discount rate to a portfolio of leases with similar characteristics.

As a lessee: Operating leases

The Group recognised a lease liability measured at the present value of the lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1st April, 2019. Accordingly, a right-of-use asset of Rs.35.32 Million and a corresponding lease liability of Rs.37.19 Million has been recognized. The cumulative effect on transition in retained earnings net off taxes is 1.43 Million (including impact of deferred tax of 0.44 Million). The principle portion of the lease payments have been disclosed under cash flow from financing activities. The average incremental borrowing rate of 12.30 % has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

Lease agreements pertain to office premises taken on lease and license. The Group has applied Ind AS 116 using the modified retrospective approach. The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. On application of Ind AS 116, the nature of expenses have changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

A. Right-of-use liabilities

	31-Mar-2021	31-Mar-2020	1-Apr-2019
Non Current	**28**	7	23
Current	**23**	16	14

B. Cash Flows

	31-Mar-2021	31-Mar-2020
Payment for Principal portion	**27**	15
Payment for Interest Portion	**6**	3
Total cash outflow for leases	**33**	18

C. Maturity analysis – contractual undiscounted cash flows of leases under the purview of Ind AS 116

	31-Mar-2021	31-Mar-2020	1-Apr-2019
Less than one year	**28**	33	18
One to five years	**30**	58	91
More than five years	**0**	0	0
Total undiscounted cash flows	**58**	91	109

Disclosure on cash and non-cash changes for liabilities arising from financing activities:

Mentioned below are the components of liabilities related to financing activities in cash flow for the year ended 31 March, 2021:

Particulars	Opening balance	Cash flow	Net Additions to lease liability	Closing Balance
Lease liability	23	(33)	62	52

36 Current Tax and Deferred Tax

The income tax expense for the year ended can be reconciled to the accounting profit as follows:

Particulars	31-Mar-2021	31-Mar-2020
Profit/(Loss) before tax	**11**	(62)
Enacted tax rate	**25.17%**	25.17%
Income tax expense calculated at enacted tax rate	**3**	(16)
Effect of expenses disallowed for tax purpose	**79**	12
Effect of income taxes related to prior years	**0**	0
Effect of tax on income at different rates	**(6)**	(10)
Others	**(6)**	1
Income tax expense recognised in statement of profit and loss	**70**	(13)

The tax rate used for the above reconciliation is the rate as applicable for the respective period payable by corporate entities in India on taxable profits under the Indian income tax laws.

Deferred Tax:

The following is the analysis of Deferred Tax Assets presented in the Balance Sheet:

	31-Mar-2021	31-Mar-2020
Deferred Tax Assets	**44**	27
Deferred Tax Liabilities	**(12)**	(5)
Deferred Tax Assets (Net)	**32**	22

The tax effect of significant temporary differences that has resulted in deferred tax assets are given below.

	As at 31st March, 2020	Recognised in Profit and loss	Recognised in OCI	As at 31st March, 2021
Employee Benefits	7	2	1	**10**
Property, Plant and Equipment	3	1		**4**
Provisions	11	7		**18**
Other Items	1	0		**1**
Net Deferred Tax Assets	**22**	**10**	**1**	**33**

	As at 1st April, 2019	Recognised in Profit and loss	Recognised in OCI	As at 31st March, 2020
Employee Benefits	5	1	1	7
Property, Plant and Equipment	2	1	0	3
Provisions	1	10	0	11
Other Items	1	0	-	1
Net Deferred Tax Assets	**9**	**12**	**1**	**22**

37 Earnings Per Share

Basic Earning per share

The calculation of basic earnings per share for the year ended 31 March 2021 was based on profit/(loss) attributable to equity shareholders of 59 Million (31st March, 2020 : 49 million), and the weighted average number of equity shares outstanding of 2,929,191 (31st March, 2020 : 2,816,107).

Diluted Earning per share

The calculation of basic earnings per share for the year ended 31 March 2021 was based on profit/(loss) attributable to equity shareholders of 59 Million (31st March, 2020 : 49 million), and the weighted average number of equity shares after adjustment for the effects of all dilutive potential equity 3,102,255 (31st March, 2020 : 3,186,667).

Particulars	**31-Mar-2021**	**31-Mar-2020**
Profit after taxation	**(59)**	(49)
No of Equity Shares outstanding as at year end	**3,002,033**	2,816,107
Weighted average Equity Shares outstanding as at year end	**2,929,191**	2,816,107
Add: Dilutive impact of employee stock options	**173,064**	370,560
No of Equity Shares for calculating Diluted Earnings Per Share	**3,102,255**	3,186,667
Nominal Value per Equity Share (in Rs.)	**10**	10
Earnings Per Share (Basic) (in Rs.)	**(20.10)**	(17.36)
Earnings Per Share (Diluted) (in Rs.)	**(18.98)**	(15.34)

38 Disclosures as per Ind AS 115 - Revenue from Contract with Customers

a. Disaggregation of revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers

Revenue for year ended 31 March 2021

Particulars	**Services**	**Total**
Customers	**2,098**	2,098
Total revenue from contracts with customers	**2,098**	2,098
Geographical Markets		
a. Americas	**634**	634
b. Rest of World	**1,464**	1,464
Total revenue from contracts with customers	**2,098**	2,098

Revenue for year ended 31 March 2020

Particulars	**Services**	**Total**
Customers	**1,549**	1,549
Total revenue from contracts with customers	**1,549**	1,549
Geographical Markets		
a. Americas	**826**	826
b. Rest of World	**723**	723
Total revenue from contracts with customers	**1,549**	1,549

b. Trade receivables and Contract balances:

Particulars	31-Mar-2021	31-Mar-2020
Trade Receivables	**178**	218
Contract assets	**116**	48
Unbilled revenue	**22**	3
Unearned Revenue	**4**	-

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related services are performed. Revenue for fixed price services contracts is recognized on percentage of completion basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables are non-interest bearing and generally have a credit period of 60 days.

Changes in contract assets	31-Mar-2021	31-Mar-2020
Balance at the beginning of the year	**48**	-
Revenue recognized net of invoices raised during the year	**68**	48
Balance at the end of the year	**116**	**48**

The unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognized when rights become unconditional.

Changes in contract assets	31-Mar-2021	31-Mar-2020
Balance at the beginning of the year	**-**	-
Revenue recognized net of unearned revenue for the year	**4**	0
Balance at the end of the year	**4**	**-**

Revenue recognized during the current year from:	31-Mar-2021	31-Mar-2020
Amounts included in contract liability at the beginning of the period	**-**	-
Performance obligations satisfied in previous periods	**-**	-

c. Performance Obligation

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts, or the performance obligation is part of a contract that has an original expected duration of one year or less. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

39 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The World Health Organization in February 2020 declared COVID 19 as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Group's offices also had to be closed down for 5-6 days to get permission from the Government Authorities to start the business. The Group has also adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Group is monitoring the situation closely taking into account directives from the Government.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements including the assessment of recoverable values of its property, plant and equipment and intangible assets and the net realizable values of other assets. However, given the effect of these lockdowns on the overall economic activity in India , there is no material impact on the financial statements of the Group as per management assessment taking into the consideration of COVID-19 situation in present. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

40 Segment Reporting

a) Business Segments:

The Company is engaged mainly in the business of VLSI & Embedded software services. As defined in Ind AS 108, the 'Chief Operating Decision Maker (CODM) considers entire business as single operating segment. The Company's operating divisions are managed from India. There is only one customer who accounts for more than 10% of the Company's revenue.

b) Geographical segments:

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e. India) and outside India presenting geographical information, segment revenue has been on the geographic location of customers.

Particulars	31 March 2021			
		Outside India		
	India	USA	Others	Total
Revenue from customers	1,363	634	101	2,098

Particulars	31 March 2020			
		Outside India		
	India	USA	Others	Total
Revenue from customers	664	826	59	1,549

Management believes that it is currently not practical to bifurcate assets based on geographies. Hence, no disclosure is provided for the same.

41 Disclosure related to entities considered in consolidated financial statements:

For the year ended 31 March 2021

Name of the entity in the Group	Net Asset		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
1. Tech Mahindra Cerium Private Limited	76.63%	433	284.29%	-168	346.79%	3	283.45%	-165
Foreign Subsidiary								
1. Tech Mahindra Cerium Systems Inc	20.61%	116	-147.63%	87	0.00%	0	-149.61%	87
2. Tech Mahindra Cerium Systems SDN. BHD.	10.95%	62	-36.66%	22	0.00%	0	-37.15%	22
Total	**108.19%**	**611**	**100.00%**	**-59**	**346.79%**	**3**	**96.70%**	**-56**
Intercompany elimination	-8.19%	-46	0.00%	0	-246.79%	-2	3.30%	-2
Total	**100.00%**	**565**	**100.00%**	**-59**	**100.00%**	**1**	**100.00%**	**-58**

For the year ended 31 March 2020

Name of the entity in the Group	Net Asset		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
1. Tech Mahindra Cerium Private Limited	91.59%	274	161.05%	-93	19.21%	2	190.69%	-91
Foreign Subsidiary								
1. Tech Mahindra Cerium Systems Inc	10.38%	31	-73.28%	42	0.00%	0	-88.59%	42
2. Tech Mahindra Cerium Systems SDN. BHD.	13.38%	40	12.23%	-7	0.00%	0	14.78%	-7
Total	**115.35%**	**345**	**100.00%**	**-58**	**19.21%**	**2**	**116.88%**	**-56**
Intercompany elimination	-15.35%	-46	0.00%	-	80.79%	8	-16.88%	8
Total	**100.00%**	**299**	**100.00%**	**-58**	**100.00%**	**10**	**100.00%**	**-48**

42 Previous years figures have been regrouped / reclassified in line with the current year figures, wherever necessary.

43 First-time adoption of Ind AS

As stated in Note 2, these are the Group first consolidated financial Statements prepared in accordance with Ind AS. For the year ended 31 March 2020 the Group has prepared its financial statements in accordance with Companies (Accounting standard) Rules, 2006 notified under section 133 of the act and other relevant provision of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet on the date of transition i.e. 1 April 2019 (the Group date of transition).

In preparing its consolidated Ind AS balance sheet as at 1 April 2019 and in presenting the comparative information for the year ended 31 March 2020, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group financial position, financial performance and cash flows.

Exemptions and exceptions availed

In preparing these consolidated financial statements, the Group has applied below mentioned Ind AS 101 optional exemptions and mandatory exceptions in the transition from previous GAAP to Ind AS.

A Optional Exceptions

A.1 Property plant and equipment and Intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

A.2 Investments in subsidiaries

In accordance with the exemption given in Ind AS 101, the Group has recorded investment in subsidiaries at deemed cost i.e. previous GAAP carrying amount, as on date of transition.

B Mandatory Exceptions

B.1 Estimates:

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost."

B.2 Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

B.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

C Reconciliation of Equity, as previously reported under IGAAP to Ind-AS for earlier periods

The following reconciliations provide a quantification of the effect of differences arising from the transition from the previous Indian GAAP ("IGAAP") to IND AS in accordance with IND AS 101 and the notes explaining the significant differences there to:

1. Other Equity reconciliation as at 1 April 2019 and 31 March 2020
2. Balance Sheet Reconciliation as at 1 April 2019 and 31 March 2020
3. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2020
4. Explanatory notes to the Balance Sheet and Statement of Profit and Loss Reconciliation

C.1 Other Equity reconciliation as at 1 April 2019 and 31 March 2020

Details the impact in other equity consequent to Ind AS transition adjustments:

	31-Mar-2021	**31-Mar-2020**
Retained Earnings		
Interest expense on Lease Liabilities	**3**	3
Amortization of Right-to-use Assets	**15**	11
Amortization on prepayments	**0**	0
Rent (on account of Lease Liabilities)	**(18)**	(12)
Interest income on Security Deposits	**(0)**	(0)
Tax effect on above adjustments	**(0)**	(0)
Goodwill written off	**-**	0
Foreign Currency Translation reserve	**0**	-
Change in equity	**0**	2

	IGAAP 1-Apr-2019	Ind AS effects	Ind AS 1-Apr-2019
Securities Premium	68	-	68
Share Based Payment Reserve	5	-	5
Foreign Currency Translation reserve	(4)		(4)
Retained Earnings	23	(2)	21
Total	92	(2)	90

C.2 Balance Sheet Reconciliation as at 1 April 2019 and 31 March 2020:

	As at 31 March 2020				As at 1 April 2019			
	Previous GAAP*	IND AS adjustments	Regroupings	IND AS	Previous GAAP*	IND AS Adjustments	Regroupings	IND AS
ASSETS								
Non - current assets								
Property, plant and equipment	**27**	**-**	**0**	**27**	33	-	(1)	32
Right-of-use assets	**-**	**20**	**-**	**20**	-	35	-	35
Intangible assets	**0**	**-**	**-0**	**0**	0	-	(0)	-
Intangible assets under development	**-**	**-**	**-**	**-**	25	-	-	25
Investments in subsidiaries and joint ventures	**-**	**-**	**-**	**-**	-	-	-	-
Financial assets			**-**				-	
(i) Loans	**-**	**-**	**-**	**-**	16	-	0	16
(ii) Other financial assets	**7**	**(3)**	**1**	**5**	7	(1)	1	7
Advance Income Taxes (Net of provisions)	**42**	**-**	**-**	**42**	47	-	0	47
Deferred Tax Assets (Net)	**21**	**1**	**0**	**22**	8	1	-0	9
Other non-current assets	**-**	**0**	**-**	**0**	-	1	-	1
Total Non-current assets	**97**	**18**	**1**	**116**	136	36	(0)	172
Current assets								
Financial assets								
(i) Trade receivables	**218**	**-**	**0**	**218**	131	-	-	131
(ii) Cash and Cash Equivalents	**56**	**-**	**(1)**	**55**	49	-	(0)	49
(iii) Other financial assets	**3**	**2**	**0**	**5**	14	-	(1)	13
Other current assets	**85**	**0**	**0**	**85**	63	-	0	63
Total Current assets	**362**	**2**	**(1)**	**363**	257	-	(1)	256
Total Assets	**459**	**20**	**(0)**	**479**	393	36	(1)	428
Equity								
Equity share capital	**28**	**-**	**-**	**28**	28	-	-	28
Other equity	**273**	**(2)**	**0**	**271**	91	(1)	0	90
Total Equity	**301**	**(2)**	**0**	**299**	119	(1)	0	118
Non - current liabilities								
a) Financial liabilities								
(i) Borrowings	**-**	**-**	**-**	**-**	23	-	-0	23
(ii) Right-of-use liabilities	**-**	**7**	**-**	**7**	-	23	-	23
b) Provisions	**27**	**-**	**-**	**27**	19	-	-1	18
Total Non-current liabilities	**27**	**7**	**-**	**34**	42	23	(1)	64
Current liabilities								
Financial liabilities								
(i) Borrowings	**25**	**-**	**-**	**25**	153	-	0	153
(ii) Right-of-use liabilities	**-**	**15**	**1**	**16**	-	14	0	14
(iii) Trade payables	**22**	**-**	**40**	**62**	13	-	5	18
(iv) Other financial liabilities	**1**	**-**	**-0**	**1**	16	-	3	19
Other Current Liabilities	**40**	**-**	**(0)**	**40**	40	-	1	41
Provisions	**43**	**-**	**(41)**	**2**	10	-	-9	1
Current Tax Liabilities (Net)	**-**	**-**	**0**	**0**		-	0	0
Total Current liabilities	**131**	**15**	**-0**	**146**	232	14	(0)	246
Total Equity and Liabilities	**459**	**20**	**-0**	**479**	393	36	(1)	428

* The previous GAAP figures have been reclassified to confirm to IND AS presentation requirements for the purpose of this note.

C.3 Reconciliation of profit or loss for the year ended 31 March 2020:

	Previous GAAP	IND AS adjustments	Regroupings	Ind AS
Revenue				
Revenue from operations	1,558	-	(9)	1,549
Other income	26	(0)	0	26
Total Income	**1,584**	**(0)**	**(9)**	**1,575**
Expenses				
Employee Benefit Expense	1,382	3	(7)	1,377
Subcontracting Expenses	-		56	56
Finance Costs	11	3	(1)	14
Depreciation and Amortisation Expense*	15	15	(0)	30
Other Expenses	235	(18)	(57)	160
Total Expenses	**1,643**	**3**	**(9)**	**1,637**
Prior period expense*				
ESOP expenses for F.Y.2018-19	5	-	(5)	-
Profit before tax	**(64)**	**(3)**	**5**	**(62)**
Tax expense:				
Current Tax	1	-	(0)	1
Tax provision for previous years	1	-	-1	-
Deferred Tax	(14)	(0)	0	(14)
Total tax expense	**(12)**	**(0)**	**(1)**	**(13)**
Loss for the year	**(52)**	**(3)**	**6**	**(49)**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
- Remeasurement of defined benefit liability (asset)	-	2	1	3
- Income tax related to items that will not be reclassified to profit or loss	-	0	(1)	(1)
Exchange differences in translating the Financial Statements of Foreign Operations		(0)	(1)	(1)
	-	**2**	**-1**	**1**
Total comprehensive income for the year	**(52)**	**(1)**	**4**	**(48)**

* Notes:

1. Depreciation and Amortisation Expense for FY 2019-20 includes goodwill written off of Rs.0.075 million arised on acquisition of Cerium Systems Inc but in IND financials it was adjusted in opening retained earings as on the date of IND AS transition at 1 Apr 2019.
2. Prior period expense for FY 2019-20 presented under previous GAAP in respect of ESOP's amounting to Rs. 5.09 million has been now been restated with corresponding adjustment to opening balance of Share Option Outstanding Account grouped under Other Equity as at 01 April 2019.

C.4 Notes to the reconciliation:

a) Lease accounting in accordance with Ind AS 116:

Under previous GAAP, lease rentals were equalized and charged to P&L and classified under other expenses. However, under Ind AS 116, the Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date or in this case the date of transition. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the right-of-use liability adjusted for any lease payments made at or before the date of transition less, lease incentives received and any initial direct costs incurred. The Company measures the right-of-use liability at the present value of the lease payments that are not paid at the date of transition. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The company has used an incremental borrowing rate of 12.30% p.a. Further, any leases classified as finance leases have been reclassified as right-of-use asset as on the date of transition.

	31 March 2020	1 April 2019	FY 2019-20
Right-of-use asset recorded	**20**	35	-
Right-of-use liabilities (current) recorded	**16**	14	-
Right-of-use liabilities (non-current) recorded	**7**	23	-
Decrease in deferred tax liabilities	**(0)**	(0)	-
Decrease in Retained Earnings	**-**	1	-
Decrease in other expenses	**-**	-	(18)
Increase in depreciation	**-**	-	15
Increase in finance cost	**-**	-	3
Increase in deferred tax income	**-**	-	0

b) Remeasurement of defined benefit liability / asset:

Under Ind AS, remeasurement of defined benefit liability / asset are recognized in other comprehensive income. Under previous GAAP, the Company recognized remeasurement of defined benefit liability / asset in profit or loss.

	31 March 2020	1 April 2019	FY 2019-20
Increase in employee benefit expenses	**-**	-	2
Decrease in deferred tax charge	**-**	-	0
Increase in OCI - Remeasurement of defined benefit liability (asset)	**-**	-	(2)
Increase in OCI - Income tax	**-**	-	(0)

c) Financial instruments at amortized cost:

Under previous GAAP, all security deposits were carried at nominal values. Under Ind AS, security deposits are ‘financial assets’; those deposits bearing zero or below market rate interest are measured at amortised cost as at 01 April 2019, with a corresponding recognition of prepayments.

	31 March 2020	1 April 2019	FY 2019-20
Increase in Prepaid Expenses - Non-current	**0**	1	-
Increase in Prepaid Expenses - Current	**0**	-	-
Decrease in Other financial assets - Security Deposits	**(1)**	(1)	-
Decrease in Retained Earnings	**-**	0	-
Decrease in Other Income	**-**	-	0

As per our report of even date attached

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

Ashish Gupta
Partner
Membership No.215165
Place: Pune
Date: June 14, 2021

For and on behalf of the Board of Directors of
Tech Mahindra Cerium Private Limited
CIN:U72200KA2013PTC070882

Sudhakar Palisetti
Director
DIN: 02861107
Place: Bangalore
Date: June 14, 2021

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Bangalore
Date: June 14, 2021

LIGHTBRIDGE COMMUNICATIONS CORPORATION

Board of Directors
Mr. Manish Vyas
Mr Guru Prasad R Iyengar

Registered Office
5700 Democracy Drive, Suite 2000,
Plano (Texas) 75024
United States of America

Bankers
Citi Bank
J P Morgan

Auditors
Grant Thornton Bharat LLP

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Corporation for the year ended March 31, 2021.

Financial Results:

For the year ended March 31,	**2021 USD (in '000)**	**2020 US D (in '000)**
Income	**190,249**	218,551
Profit/(Loss) before tax	**1,011**	(2,531)
Profit/(Loss)after tax	**(2,067)**	(5,607)

Review of Operations:

During the year under review, the Corporation recorded an income of US$ 190 Mn Loss after tax was (US$ 2 Mn). The Corporation continues to invest in strengthening its operations and administrative infrastructure to support anticipated growth in the coming years.

Dividends:

During the year under review, no dividend is recommended for the year ended 31st March, 2021.

Directors:

Mr. Manish Vyas and Mr. Guru Prasad R Iyengar are the members of the Board of Directors.

Outlook for the current year:

Business has been encouraging in US and the Corporation is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Corporation. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Manish Vyas
Director

Place: Plano, Texas
Date : June 17, 2021

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Lightbridge Communications Corporation

We have audited the accompanying consolidated financial statements of Lightbridge Communications Corporation (a Delaware corporation), its subsidiaries and its associate which comprise the consolidated balance sheet as of March 31, 2021 and 2020, and the related consolidated statement of operations, comprehensive (loss)/income, changes in shareholders' equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We did not audit the financial information of the component, LCC Acquisition Holdings B.V., a component of LCC Europe B.V. and of Leadcom Integrated Solutions International B.V. and its subsidiaries, which reflect total assets constituting $ 81.24 million and $ 83.66 million of consolidated total assets as of March 31, 2021 and 2020 respectively, and total revenues of $ 86.08 million and $ 83.03 million of consolidated total revenues for the year ended March 31, 2021 and 2020 respectively. Those statements/information were audited by other auditors, whose report has been furnished to us and our opinion, insofar as it relates to the amounts included, is based solely on the report of the other auditors.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lightbridge Communications Corporation, its subsidiaries and its associate as of March 31, 2021 and 2020 and the results of their operations and their cash flows for years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton Bharat LLP

Place: Hyderabad, India
Date: June 17, 2021

CONSOLIDATED BALANCE SHEET

(all amounts in thousands, except per share data)

	Notes	March 31, 2021	March 31, 2020
Assets			
Current assets			
Cash and cash equivalents		$ 24,892	$ 27,673
Restricted cash		58	149
Receivables, net of allowance for doubtful accounts of $ 2,719 and $ 2,838	3	36,540	37,232
Unbilled receivables, net		27,030	30,380
Prepaid expenses and other current assets		18,849	15,085
Due from related parties	12	1,101	30,183
Deferred income tax assets	8	1,704	2,001
Total current assets		**$ 110,174**	**$ 142,703**
Non-current assets			
Property and equipment, net	4	$ 3,976	$ 6,219
Advance income taxes		314	1,160
Deferred income tax assets	8	126	340
Goodwill	5	3,443	3,443
Other intangibles, net	5	8,645	11,992
Operating lease right-of-use assets (net)	9	8,324	9,067
Investments in affiliates	13	—	—
Other non current assets		973	1,233
Total assets		**$ 135,975**	**$ 176,157**
Liabilities and shareholders' equity			
Current liabilities			
Lines of credit	6	$ 46,622	$ 113,602
Notes payable	6	25,000	—
Accounts payable		7,216	8,486
Accrued expenses		23,213	24,791
Accrued employee compensation and benefits		6,715	8,286
Deferred revenue		1,447	4,625
Income taxes payable		4,930	4,969
Deferred tax liabilities	8	559	615
Operating lease liabilities	9	2,118	2,284
Obligations under capital leases	9	751	886
Other current liabilities		1,262	2,206
Total current liabilities		**$ 119,833**	**$ 170,750**
Notes payable, net of current portion	6	$ 5	$ 16
Operating lease liabilities	9	6,869	7,495
Obligations under capital leases	9	57	499
Accrued restructuring, non current	7	—	1,828
Deferred income tax liabilities	8	1,584	2,125
Other non current liabilities		8,300	5,841
Total liabilities		**$ 136,648**	**$ 188,554**
Shareholders' equity			
Class A common stock; $0.5 and $0.5 par value at March 31, 2021 and March 31, 2020, respectively;			
6,000 shares and 6,000 shares authorized at March 31, 2021 and March 31, 2020, respectively;			
5,063 and 5,063 issued and outstanding at March 31, 2021 and March 31, 2020, respectively		$ 3	$ 3
Additional paid-in capital		265,077	265,077
Accumulated deficit		(289,652)	(287,585)
Capital reserve		12,031	—
Accumulated other comprehensive income		11,847	10,087
Non-controlling interest		21	21
Total shareholders' equity		**$ (673)**	**$ (12,397)**
Total liabilities and shareholders' equity		**$ 135,975**	**$ 176,157**

The accompanying notes are an integral part of these consolidated financial statements.

LIGHTBRIDGE COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

(all amounts in thousands)

	Notes		Year ended March 31, 2021		Year ended March 31, 2020
Revenues		$	190,249	$	218,551
Cost of revenues			157,404		190,574
Gross profit		$	32,845	$	27,977
Operating expenses					
Sales and marketing		$	2,732	$	3,604
General and administrative			18,580		9,303
Restructuring charge	7		1,494		1,704
Depreciation and amortization	4 & 5		6,950		8,327
Total operating expenses		**$**	**29,756**	**$**	**22,938**
Profit/(loss) before other income (expenses) and income taxes		$	**3,089**	$	**5,039**
Other income/(expense)					
Interest income			601		147
Interest expense			(3,341)		(4,498)
Others			662		(3,219)
Total other expense, net		**$**	**(2,078)**	**$**	**(7,570)**
Profit / (loss) before income taxes			**1,011**		**(2,531)**
Income tax expense	8		**3,078**		**3,076**
Net loss		**$**	**(2,067)**	**$**	**(5,607)**
Add: net profit attributable to non-controlling interest			0.06		0.06
Net loss attributable to shareholders of Lightbridge Communications Corporation		$	(2,067)	$	(5,607)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME

(all amounts in thousands)

		Year ended March 31, 2021		Year ended March 31, 2020
Net loss	$	(2,067)	$	(5,607)
Other comprehensive (loss) / income :				
Change in fair value of interest rate swap		854		(2,710)
Change in foreign currency translation reserve		906		1,856
Remeasurements of the Defined Benefit Obligations		—		—
Total Comprehensive loss	**$**	**(307)**	**$**	**(6,461)**

The accompanying notes are an integral part of these consolidated financial statements.

LIGHTBRIDGE COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

(all amounts in thousands)

		Year ended March 31, 2021		Year ended March 31, 2020
Operating activities				
Net loss	$	(2,067)	$	(5,607)
Adjustments to reconcile net loss to net cash generated from operating activities:				
Depreciation and amortization		6,950		8,327
Deferred income taxes		(171)		1,413
Provision for doubtful accounts		(546)		—
Guarantee fees		301		443
Restructuring charge		3		1,378
Loss / (gain) on disposal of fixed assets		(19)		114
Changes in operating assets and liabilities:				
Restricted cash		91		42
Trade, unbilled and other receivables		44,556		3,931
Accounts payable and accrued expenses		(3,499)		2,833
Operating lease right-of-use assets and operating lease liabilities		33		712
Other current assets and liabilities		(695)		9,701
Other non-current assets and liabilities		(251)		986
Net cash generated from operating activities	**$**	**44,686**	**$**	**24,273**
Investing activities				
Purchase of property and equipment including other intangible assets	$	(1,088)	$	(1,557)
Proceeds from sale of property and equipment		60		24
Net redemption of short term bank deposits		50		17
Net cash used in investing activities	**$**	**(978)**	**$**	**(1,516)**
Financing activities				
Settlement of finance lease obligation	$	(1,015)	$	(1,099)
Proceeds /(repayment) of notes payable		25,000		(63)
Net repayment on lines of credit		(71,746)		(5,878)
Net cash used in financing activities	**$**	**(47,761)**	**$**	**(7,040)**
Effect of exchange rate changes on cash and cash equivalents	$	1,272	$	(2,535)
Net (decrease) / increase in cash and cash equivalents		(2,781)		13,182
Cash and cash equivalents at the beginning of the period		27,673		14,491
Cash and cash equivalents at the end of the period	**$**	**24,892**	**$**	**27,673**
Supplemental Disclosures:				
Cash paid during the period for:				
Interest	$	2,687	$	3,611
Income taxes		3,218		2,087
Cash received during the period for:				
Interest	$	678	$	147
Supplemental Disclosures of Non-Cash Investing and Financing Activities:				
Fixed asset additions under capital lease (disclosed on payment basis)	$	496	$	265
Initial recognition of the lease at commencement		2,555		12,439

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(all amounts in thousands)

Year ended March 31, 2021 and 2020

	Common stock								
	Authorized		Issued and outstanding		Additional paid in capital	Accumulated deficit	Capital reserve	Accumulated other comprehensive income	Total shareholders' equity
	Shares	Amount	Shares	Amount	Amount	Amount	Amount	Amount	Amount
Balance as at April 1, 2019	**6,000**	**$ 3**	**5,063**	**$ 3**	**$ 265,077**	**$ (281,978)**	**$ -**	**$ 10,941**	**$ (5,957)**
Net income/(loss)	-	-	-	-	-	(5,607)	-	(854)	**(6,461)**
Less: Non-controlling interest	-	-	-	-	-	0.06	-	-	**0.06**
Balance as at March 31, 2020	**6,000**	**$ 3**	**5,063**	**$ 3**	**$ 265,077**	**$ (287,585)**	**$ -**	**$ 10,087**	**$ (12,418)**
Net income/(loss)	-	-	-	-	-	(2,067)	-	1,760	**(307)**
Less: Non-controlling interest	-	-	-	-	-	0.06	-	-	**0.06**
Movement during the period (refer note 1)	-	- -	-	- -	-	-	12,031	-	**12,031**
Balance as at March 31, 2021	**6,000**	**$ 3**	**5,063**	**$ 3**	**$ 265,077**	**$ (289,652)**	**$ 12,031**	**$ 11,847**	**$ (694)**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020

NOTE 1—DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

Lightbridge Communications Corporation ("LCC"), a Delaware corporation, was formed in March 2010 and is headquartered in Plano, Texas. Unless the context indicates otherwise, the term "Company" refers herein to LCC and its subsidiaries.

Effective January 1, 2015, LCC is a wholly owned subsidiary of Tech Mahindra (Americas), Inc., which is a wholly owned subsidiary of Tech Mahindra Limited ("Tech Mahindra").

LCC conducts business through its direct and indirect wholly owned subsidiaries that provide services in North America, Europe, Middle East and Africa, Latin America, and Asia.

The Company provides integrated end-to-end solutions for wireless voice and data communications networks with offerings ranging from high level technical consulting to system design and optimization services, ongoing operations and maintenance services, and deployment services. The Company uses initial opportunities to provide high-level technical consulting services to secure later-stage system design and network optimization contracts. Engagements to provide design services also create opportunities for the Company to propose on operations and maintenance projects including network optimization contracts as well as other services. The Company's technical consulting, system design and network optimization practices position it to capitalize on additional opportunities as new technologies are developed and wireless service providers upgrade their existing networks, deploy the latest available technologies, and respond to changes in how customers use wireless services.

The accompanying consolidated financial statements include the results of LCC and its direct and indirect wholly owned subsidiaries. Intercompany transactions and balances have been eliminated in the consolidated financial statements. Investments in entities in which the Company does not have majority ownership have been accounted for using the equity method of accounting.

During the year, LCC Telecom GmBH, erstwhile step-down subsidiary of LCC has been merged with Tech Mahindra GmbH effective October 02, 2020. As per draft scheme of merger, the appointed date of the merger would be April 01, 2020 without any exchange of sale consideration. The effect of the merger has been given in the current financial year and accordingly capital reserve amounting to USD 10.67 million has been recorded.

Shares of LCC Network Services B.V, erstwhile step-down subsidiary of Lightbridge Communications Corporation have been transferred to Tech Mahindra Limited effective March 31, 2021 for a consideration of EURO 1. The effect of the same has been given in the current financial year and accordingly capital reserve amounting to USD 1.36 million has been recorded.

Liquidity

As of March 31, 2021, the Company had an accumulated deficit of $ 289.65 million and the Company incurred a net loss of $ 2.07 million for the year ended March 31, 2021. The Company had cash inflow from operations of $ 44.69 million for the year ended March 31, 2021. As of March 31, 2021, the Company has approximately $ 71.62 million of short-term borrowings, the most significant of which are $ 42.24 million from Citibank N.A scheduled to mature in February 2022 with renewals at agreed intervals, $ 7.00 million from Notes issued to Tech Mahindra (Americas), Inc. scheduled to mature in September 2021 and $18.00 million from CJS Solutions Group LLC scheduled to mature at agreed intervals from September 2021 to January 2022. The borrowings under these facilities are guaranteed by Tech Mahindra Limited, the ultimate holding company or funded by its related parties. See Note 6, Borrowings. Management has prepared projections and believes that cash flows from operations, existing cash on hand, available cash under existing credit facilities, plus availability of cash, if needed, from Tech Mahindra Limited will be adequate to fund the Company's cash requirements for the foreseeable future. Accordingly, the financial statements for the year ended March 31, 2021 has been prepared on a going concern basis.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Significant accounting policies are as follows:

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, revenue recognition on contracts, allowance for doubtful accounts, accrual of income taxes, recoverability of investments in affiliates, goodwill and other intangible assets, discounting of lease liability and the accrual of restructuring charges. Although these estimates are based upon management's best knowledge of current events and actions, actual amounts may differ from estimates.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include all highly liquid investments purchased with original maturities of three months or less and include overnight repurchase agreements, short-term notes, and short-term money market funds. The Company places its cash and cash equivalents with high-quality financial institutions.

At March 31, 2021 and March 31, 2020, the Company had $ 24.4 million and $ 27.4 million of cash in foreign bank accounts, respectively.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of trade receivables, cash and cash equivalents and restricted cash. The Company sells services globally. Generally, the Company does not require collateral or other security to support customer receivables. The Company performs ongoing credit evaluations of its customers' financial condition and maintains an allowance for doubtful accounts related to potential credit losses. The Company had the following significant concentrations of trade receivables from customers including within United States of America at March 31, 2021 and March 31, 2020:

	March 31,	
	2021	2020
	(In thousands)	
Middle East/Africa	$ 22,082	$ 18,875
Americas	10,015	13,532
Europe	3,723	4,357
Rest of the world	720	468

The Company's existing and potential customer base is diverse and includes domestic and foreign telecommunications carriers, equipment manufacturers and foreign enterprises. The Company derived approximately 70% and 67% of its revenues from ten customers for the year ended March 31, 2021 and 2020, respectively. The Company has approximately 62% and 67% of its accounts receivable (including unbilled revenue) from ten customers as of March 31, 2021 and 2020, respectively. Individually, one of these top ten customers comprised 17% and 17% of total revenue for the year ended March 31, 2021 and 2020 respectively. Individually, one of these top ten customers of the Company had net receivable balance (including unbilled revenue) at 14% and 14% of total receivables as of March 31, 2021 and 2020, respectively.

At times, the Company maintains cash balances in financial institutions, which may exceed federally insured limits. The Company has not experienced any losses in its accounts and believes it is not exposed to a significant credit risk on its cash and cash equivalents. As at March 31, 2021, the Company has $ 285,027 [2020: $NIL] as balances in excess of the federally insured amounts.

Although the Company believes that the diversity of its customer base may minimize the risk of incurring material losses due to concentrations of credit risk, the Company may be exposed to a declining customer base in periods of market downturns, severe competition, exchange rate fluctuations or other international developments.

Fair Value Measurements

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, accounts receivable, notes payable, accounts payable and accrued expenses and certain other current liabilities approximate fair value due to the immediate to short-term maturity of these financial instruments.

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, for financial assets and liabilities measured on a recurring basis. ASC 820 applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches, including market, income and/or cost approaches. ASC 820, Fair Value Measurements and Disclosures establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company.

Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Financial assets and liabilities which are recorded at fair value in the accompanying financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The levels are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, and are as follows::

Level 1 –	Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuations of these products do not entail a significant degree of judgment.
Level 2 –	Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active. The Company's interest rate swaps are valued using level 2 inputs.
Level 3 –	Unobservable inputs that reflect the reporting entity's own assumptions.

Property, Equipment and Software

Property and equipment are stated at cost, less an allowance for depreciation and amortization.

Assets under capital lease obligations are recorded at lower of the present value of the minimum lease payments or the fair market value of the leased asset, at the inception of the lease.

Replacements and major improvements are capitalized; maintenance and repairs are charged to expense as incurred. Internally developed software costs are capitalized in accordance with ASC 350-40, Internal-Use Software.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets per the table below.

Computer and electronics	3 years
Software	3 years
Machinery and equipment	3 to 7 years
Furniture and office equipment	3 to 15 years
Office building	20 years
Leasehold improvements	Shorter of the term of the lease or estimated useful life
Vehicles	3 to 5 years

Expenditure for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation and amortization are eliminated from the financial records. Any gain or loss on disposal is credited or charged to the statement of operations.

Impairment of Long-Lived Assets

The Company's policy is to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with ASC 360, Property Plant and Equipment. The Company recognizes an impairment loss when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. The measurement of the impairment losses to be recognized is based upon the difference between the fair value and the carrying amount of the assets.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually in accordance with the provisions of ASC 350, Intangibles - Goodwill and Other (ASC 350). ASC 350 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment. Goodwill represents the excess of cost over the fair value of identifiable net assets acquired. The Company tests goodwill for impairment on an annual basis as of March 31. In addition, goodwill and other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

The goodwill and indefinite-lived intangibles impairment test consists of a two-step process, if necessary. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill and indefinite-lived intangibles impairment test. The more likely than not threshold is defined as having a likelihood of more than 50 percent. This evaluation includes macroeconomic and industry and market specific considerations, financial performance indicators and measurements, and other factors. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary, and goodwill and other indefinite-lived intangible assets are considered to be unimpaired. However, if based on the Company's qualitative assessment, it concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company will proceed with performing the two-step process. The Company performed a qualitative assessment as of March 31, 2021 and concluded that it was more likely than not that goodwill and indefinite-lived intangible assets were not impaired.

The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value exceeds its fair value, then the Company would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. The impairment loss would be calculated by comparing the implied fair value of the Company to its net book value. In calculating the implied fair value of the Company's goodwill, the fair value of the Company would be allocated to all of the other assets and liabilities based on their fair values. The excess of the fair value of the Company over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. There have been no impairments of goodwill or indefinite-lived intangible assets recorded in the Company's consolidated statement of operations during the year ended March 31, 2021 and March 31, 2020.

Allowance for Doubtful Accounts

Accounts receivable from customers are generally due within 60-90 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company makes estimates of the probability of collection of accounts receivable by specifically analyzing customer balances, concentrations, credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. Accounts receivable are written off when they become uncollectible.

Revenue Recognition

The Company's principal sources of revenue are consulting, integration, operations and solutions.

Revenue is recognized upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company recognizes revenues from fixed-price contracts using the percentage-of-completion method and proportional performance method based on nature and terms of the contract with customers. Under proportional performance method, revenue from services is recognized in accounting periods in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total services to be provided. Depending on the nature of the contract, revenue is recognized based on the proportion of the contract term completed, or the specific services provided to date.

Under the percentage-of-completion method, revenues are recognized based on the ratio of individual contract costs incurred to date on a project compared with total estimated contract costs. The Company compares costs incurred to date to progress achieved against project milestones to determine if the percentage of completion is reasonable. Anticipated contract losses are recognized as soon as they become known and estimable.

The Company recognizes revenues on time and materials contracts as the services are performed i.e. based on time / efforts spent.

In deployment projects, the Company generally receives purchase orders for individual cell sites based on agreed upon fixed prices for types of standard cell sites. Non-standard services related to a cell site are priced on a variable basis using either agreed upon rates per hour or a rate schedule for such non-standard services. Deployment of cell sites may take up to several months and revenues and costs are recognized on a percentage of completion basis based upon the Company's engineering estimates.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (under current assets) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue is recognized when there is billing in excess of revenues, under current liabilities. The billing schedules agreed with customers include periodic performance -based payments and / or milestone - based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant estimates and judgements

The Company uses the expected cost- plus margin approach to allocate the transaction price to each distinct performance obligation.

Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

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

Disaggregation of revenue:

The Company disaggregates revenue from contracts with customers by geography and contract-type, as it believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors. Revenues are attributed to geographic regions based upon client location.

The following tables set forth reported revenue by geography and contract type:

(In thousands)

Geographic Location	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Middle East / Africa	112,784	109,616
Americas	44,880	76,280
Europe	24,913	29,460
Rest of the world	7,672	3,195
Total	**190,249**	**218,551**

Type of Contract	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Fixed Price	130,697	154,044
Time and Materials	59,552	64,507
Total	**190,249**	**218,551**

Income Taxes

Income taxes are determined in accordance with ASC 740, Income Taxes. Under this guidance, temporary differences arise as a result of the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company recognizes the financial statement effect of an income tax position when it is more likely than not, based on technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with the relevant taxing authority. The Company has chosen to treat interest and penalties related to uncertain tax liabilities as income tax expense and as an increase to the income tax liability. For the year ended March 31, 2021 and March 31, 2020, the Company did not record any interest or penalties related to uncertain tax positions.

As a subsidiary of Tech Mahindra (Americas), Inc., with whom the Company files consolidated federal and state returns, the Company calculates the provision for income taxes by using a “benefits-for-loss” method. Under this method, the Company and its subsidiaries are assumed to file a separate return with the tax authority, thereby reporting the taxable income or loss and paying the applicable tax to or receiving the appropriate refund from Tech Mahindra (Americas), Inc. as if the Company and all of its subsidiaries were separate taxpayers, except that the net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) by the Company and its subsidiaries when those tax attributes are realized by the consolidated group even if the Company and its subsidiaries would not otherwise have realized the attributes on a stand-alone basis. The Company’s intercompany tax-related receivable from Tech Mahindra (Americas), Inc. are $2.7 million and $32.8 million at March 31, 2021 and March 31, 2020, respectively.

Certain of the Company’s international operations are subject to local income taxation. Currently, the Company is subject to taxation on income from certain operations in Europe, Latin America, Africa, the Middle East and the non-U.S. portions of North America where the Company has subsidiaries, has established branch offices or has performed significant services that constitute a “permanent establishment” for tax reporting purposes. The foreign taxes paid or accrued by the Company may represent a potential credit for the Company against U.K. or U.S. federal income taxes.

Foreign Currency Translation

The Company's foreign operations are subject to exchange rate fluctuations and foreign currency transaction costs. The majority of the Company's foreign transactions are denominated in Euro and Saudi Riyals.

The financial statements of the Company's foreign subsidiaries have been translated into U.S. dollars in accordance with ASC 830-30, Translation of Financial Statements. For foreign operations with the local currency as the functional currency, assets and liabilities denominated in non-U.S. dollar functional currencies are translated using the period-end spot exchange rates. Revenues and expenses are translated at monthly-average exchange rates. Capital accounts are translated at historical exchange rates. The current period effects of translating operations with a functional currency other than the reporting currency are reported within the statement of comprehensive income (loss) with accumulated effects presented as a component of accumulated other comprehensive income (loss) within the consolidated statement of changes in shareholders' equity. The determination of functional currency is based on the subsidiary's relative financial and operational independence from the Company's US based parent.

The Company is also subject to foreign currency transaction gains or losses due to inter-company payables and receivables denominated in foreign currency. For the year ended March 31, 2021 and March 31, 2020, these balances generated a foreign exchange loss of $ 0.16 million and loss of $2.5 million, respectively. These amounts are included in other income/(expense) in the consolidated statement of operations.

Other Comprehensive Income/(Loss)

Comprehensive income/(loss) is defined as net income/(loss) plus the changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Other comprehensive income/(loss) refers to revenues, expenses, gains and losses that under U.S. GAAP are included in comprehensive income/(loss), but excluded from net income (loss).

Derivative Instruments

The Company records derivatives at fair value. The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determine how the Company reflects the change in fair value of the derivative instrument within its consolidated financial statements. A derivative qualifies for hedge accounting if, at inception, the Company expects that the derivative will be highly effective in offsetting the underlying hedged cash flows and the Company fulfills the hedge documentation standards at the time it enters into the derivative contract.

The Company designates a hedge as a cash flow hedge based on the exposure it is hedging. For the effective portion of qualifying cash flow hedges, the Company records changes in fair value in other comprehensive income/(loss) ("OCI"). The Company reviews the effectiveness of its hedging instruments quarterly. The Company manages its exposure to the interest fluctuation risk by monitoring available financing alternatives, as well as through development and application of credit granting policies. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk, and the Company does not use derivatives for trading or speculative purposes.

Factoring of Accounts Receivable

The Company is party to accounts receivable factoring agreements with financial institutions in Europe, Middle East and Africa jurisdiction whereby the Company may sell eligible accounts receivable. The Company accounts for these programs under ASC 860, Transfers and Servicing which requires that transferred assets have been isolated from the transferor, the transferee obtains the right to transfer or exchange the asset and the transferor does not maintain effective control over the transferred assets through an agreement that both entitles and obligates the transferor to repurchase or redeem the assets transferred in order to qualify as a sale. Some of the Company's factoring arrangements do not meet all of the criteria for sale accounting, thus those factoring arrangements are accounted for as secured borrowings (See Note 6, Borrowings).

Leases:

Effective April 1, 2019, the Company has early adopted, with modified retrospective application, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842), which replaces existing lease accounting rules (ASC 840) with a comprehensive lease measurement and recognition standard and expanded disclosure.

This update requires the recognition of lease assets and lease liabilities on the balance sheet for all lease obligations and disclosing key information about leasing arrangements. This update requires the recognition of lease assets and lease liabilities by lessees for arrangements that are classified as operating leases. The Company's operating leases resulted in the recognition of additional assets and the corresponding liabilities on its Consolidated Balance Sheet.

The Company determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to control the use of identified property, plant and equipment for a period of time in exchange for consideration.

Right of Use (ROU) Assets and Lease Liabilities for operating leases are separately disclosed under non-current assets, current liabilities and non-current liabilities in the consolidated balance sheet as at March 31, 2021 and March 31, 2020. The

ROU Assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Commitments under finance leases are not significant, and are included in Property, plant and equipment, current liabilities, and non-current liabilities in the consolidated balance sheet as at March 31, 2021 and March 31, 2020.

The key change upon adoption of the standard was balance sheet recognition, given that operating lease was recognized as lease expense in the statement of operations under historical accounting. Using the modified retrospective transition method of adoption, the Company did not adjust the balance sheet for comparative periods.

NOTE 3—ACCOUNTS RECEIVABLE

The Company is party to various long-term contracts for which significant revenues are recognized on the percentage-of-completion method. Certain of these contracts have large amounts of unbilled receivables associated with them and will be performed over a period of more than one year.

The Company is party to a factoring agreement (the “HSBC Agreement”) with HSBC FACTORING France (“HSBC”) whereby the Company’s French subsidiary may sell its eligible accounts receivable to HSBC on a revolving basis up to a maximum of 2.00 million Euros. Under the terms of the HSBC Agreement, accounts receivables are sold to HSBC with recourse at 90% of their face value, less interest of EONIA plus 1.5% and a commission of 0.45%. Transfers of accounts receivable were approximately 0.49 million and 0.79 million Euros (approximately $0.58 million and $ 0.87 million) as of March 31, 2021 and March 31, 2020, respectively, which is included within lines of credit in the consolidated balance sheets. As of March 31, 2021, and March 31, 2020, the Company had unutilized limit of 1.51 million and 1.21 million Euros (approximately $1.78 million and $1.34 million), respectively, available under the HSBC Agreement.

The Company is party to a factoring agreement (the “Bankinter Agreement”) with Bankinter S.A., (“Bankinter”) whereby the Company’s Spanish subsidiary may sell its eligible accounts receivable to Bankinter on a revolving basis up to a maximum of 0.50 million Euros. Under the terms of the Bankinter Agreement, accounts receivables are sold to Bankinter without recourse at 100% of their face value less interest of EURIBOR plus 2.5% and a commission of 0.50%. Transfers of accounts receivable were NIL Euros and NIL Euros ($ NIL and $ NIL), as of March 31, 2021 and March 31, 2020, respectively. As of March 31, 2021, and March 31, 2020, the Company had unutilized limits of 0.50 million Euros and 0.50 million Euros (approximately $0.58 million and $0.55 million), respectively, available under the Bankinter Agreement.

NOTE 4—PROPERTY AND EQUIPMENT

At March 31, 2021 and 2020, property and equipment consisted of the following:

	March 31,	
	2021	2020
	(In thousands)	
Computer and electronics	$ 2,766	$ 2,555
Machinery and equipment	13,500	13,271
Furniture and office equipment	3,257	3,138
Office building	2,340	2,340
Leasehold improvements	3,845	3,806
Vehicles	4,919	5,777
Property and equipment	30,627	30,887
Less: accumulated depreciation and amortization	(26,652)	(24,668)
Property and equipment, net	**$ 3,975**	**$ 6,219**

Property and equipment include vehicles and machinery and equipment under capital lease amounting to $4.8 million and $5.6 million as of March 31, 2021 and March 31, 2020 respectively. Accumulated depreciation for vehicles and machinery and equipment under capital lease amounted to $3.8 million and $3.8 million as of March 31, 2021 and March 31, 2020 respectively.

Depreciation and amortization expense related to property and equipment for the year ended March 31, 2021 and 2020 was $3.4 million and $4.5 million, respectively.

NOTE 5—GOODWILL AND INTANGIBLE ASSETS

As of March 31, 2021 and 2020 intangible assets consisted of the following:

	March 31,	
	2021	2020
	(In thousands)	
Goodwill	$ 3,443	$ 3,443
Other intangible assets:		
Customer relationships	33,816	33,728
Backlog	308	308
Trade names	6,689	6,689
Patents	48	48
Software	4,471	4,047
Total other intangible assets	**45,332**	**44,820**
Less: Accumulated amortization		
Customer relationships	(27,528)	(24,919)
Backlog	(308)	(308)
Trade names	(4,664)	(4,040)
Patents	(48)	(48)
Software	(4,139)	(3,513)
Accumulated amortization	(36,687)	(32,828)
Other intangible assets, net	**$ 8,645**	**$ 11,992**

The Company reviews its definite-lived intangible assets for impairment, in accordance with ASC 350 — Intangibles — Goodwill and Other. The result of this review identified no impairment of the intangible assets as of March 31, 2021 and 2020.

Amortization expense related to intangibles was $3.5 million and $4.4 million for the year ended March 31, 2021 and 2020, respectively. The weighted average amortization period is 12 years for customer relationships; 10 years for patents; 10 years for trade names; 1.5 years for backlog and 4 years for software.

The following summarizes expected amortization expense for each of the five succeeding years (In thousands):

March 31, 2022		3,295
March 31, 2023		2,370
March 31, 2024		2,179
March 31, 2025		584
March 31, 2026		58
Thereafter		159
	$	**8,645**

NOTE 6—BORROWINGS

Unsecured Credit Facilities

In March 2015, the Company entered into a $50.0 million uncommitted line of credit agreement with Citibank, N.A ("Citibank") which allows borrowing up to $50.0 million until March 1, 2016. The loan has been extended from time to time with most recent extension till February 2022. The facility accrues interest at a rate of LIBOR plus 0.65% from December 2017, and further reduced to LIBOR plus 0.60% from December 2019. Amendment 4 to the agreement was signed on December 5, 2019 to facilitate a Euro line of credit not exceeding EURO 31 Million against aforementioned $50 million line of credit. The USD line of credit was decreased by $16.9M (equivalent of EURO 15 million) and a separate EURO 15 million line of credit was obtained. Amendment 6 to the agreement adds a new Section 21 that if a Transition Event occurred, then the applicable LIBOR Replacement (SOFR) will replace the Screen Rate. The facility is an unsecured facility.

In April 2016, the Company entered into an agreement with Citibank for additional credit facility, which allowed borrowing up to $30.0 million until April 15, 2018. An amendment was signed on March 21, 2018 to facilitate 8.6 million Euro line of credit within aforementioned $30 million line of credit ($29 million funded line and $1 million non-funded line). Amendment 4 to the agreement was signed on September 11, 2019 increasing the EURO line of credit to 11.6 million Euros. The agreement was further extended till February 2022. The facility accrued interest at a rate of LIBOR plus 0.95% till December 2017 and at a rate of LIBOR plus 0.80% post December 2017. Tech Mahindra serves as a guarantor for the facilities.

As of March 31, 2021, $ 36.72 million and $5.52 million were drawn against the two Citibank facilities mentioned above. Total interest expense on the said facility was $0.79 million and $1.86 million for the year ended March 31, 2021 and 2020, respectively.

In March 2015, the Company received a $ 40.00 million line of credit from JPMorgan Chase Bank, N.A. ("JPMorgan") under which it could have borrowings until February 29, 2016. The line of credit was increased to $48.0 million in September 2015. The maturity was extended from time to time with most recent extension till December 2020. Each loan issued under the promissory note matures no later than twelve months from the date of the loan. The facility accrues interest at a rate of the greater of (i) the Prime Rate, (ii) Federal Funds Effective Rate plus 0.5%, (iii) the Eurodollar Rate for a one-month period plus 1.0%. The facility is an unsecured facility. Tech Mahindra Limited serves as a guarantor for the facility.

As of March 31, 2021, there is no amount drawn against the JPMorgan facility. Total interest expense on the facility was $ 0.18 million and $ 0.89 million for the year ended March 31, 2021 and 2020, respectively. The entire $ 48.00 million was repaid in May 2020.

In September 2020, the Company entered into an agreement with Tech Mahindra (Americas) Inc. for loan facility, which allowed borrowing up to $ 50.00 million until September 29, 2021. $ 32.00 million was advanced and in January 2021, $ 27.00 million was repaid. Further, in March, 2021, $ 2.00 million was advanced. The Company accrued and paid interest at a rate of LIBOR plus 105 BPS (1.31925% p.a.). The total outstanding Principal amount is $ 7.00 million with no outstanding interest at March 31, 2021.

In September 2020, the Company entered into an agreement with CJS Solutions Group LLC for loan facility, which allowed borrowing up to $ 10.00 million until September 30, 2021. $ 4.30 million was advanced and the Company accrued and paid interest at a rate of LIBOR plus 100 BPS (1.36% p.a.). There is no outstanding interest at March 31, 2021. In December, 2020, the Company entered into an additional agreement with CJS Solutions Group LLC for loan facility, which allowed borrowing up to $ 20 million until December 2021. $ 9.00 million was advanced and the Company accrued and paid interest at a rate of LIBOR plus 80 BPS (1.04% p.a.). There is no outstanding interest at March 31, 2021. In January 2021, the Company entered into a third agreement with CJS Solutions Group LLC for loan facility, which allowed borrowing up to $ 20.00 million until January 2022. $ 6.70 million was advanced and the Company accrued and paid interest at a rate of LIBOR plus 80 BPS (1.00188% p.a.). There is no outstanding interest at March 31, 2021. In March 2021, $ 2.00 million was repaid and the total outstanding borrowings from CJS Solutions Group LLC at March 31, 2021 is $18.00 million.

The aggregate maturities (inclusive of interest accrued and due) of all borrowings as of March 31, 2021 are as follows (In thousands):

2022	$ 71,622
2023	5
	$ 71,627

As of March 31, 2021 and 2020, the total outstanding borrowings, as discussed above, are as follows:

	2021	2020
	(In thousands)	
Citibank line of credit, including accrued interest	$ 42,243	$ 76,017
JP Morgan line of credit, including accrued interest	-	31,313
Tech Mahindra (Americas) Inc.	7,000	-
CJS Solutions Group LLC	18,000	-
Accounts receivable (factoring arrangements) (See Note 3)	-	307
Other credit facilities	4,384	5,981
	$ 71,627	**$ 113,618**

The Company entered into multiple interest rate swaps agreements with JP Morgan and Citibank to reduce exposure to interest rate fluctuations on its variable rate debt. Upon proper qualifications, these contracts are accounted for as cash flow hedges under current accounting standards. All derivative financial instruments are reported at fair value within the consolidated balance sheet. Changes in the fair value of derivative instruments designated as cash flow hedges approximated profit of $ 0.85 million and loss of $ 2.71 million for the year ended March 31, 2021 and 2020, respectively and are recorded in accumulated other comprehensive income/(loss), a component of shareholder's equity, to the extent they are deemed effective. Based on the criteria established by current accounting standards, all the Company's cash flow hedge contracts are deemed to be highly effective.

The Company's interest rate swap arrangements with renewals at quarterly intervals as of March 31, 2021 are as follows:

Banking Institution		Notional Amount	Variable Rate Received	Fixed Rate Paid	Contract Commencement Date	Contract Maturity Date
JP Morgan	$	60,000,000	3 - months LIBOR	0.944%	04-Mar-20	04-Mar-25
JP Morgan	$	36,000,000	3 - months LIBOR	0.670%	04-Jan-21	02-Jan-25
Citi Bank	$	15,000,000	3 - months LIBOR	2.339%	10-Feb-20	10-May-22
Citi Bank	$	15,000,000	3 - months LIBOR	1.856%	13-Jan-20	11-Jul-22

NOTE 7—RESTRUCTURING CHARGE

The Company's restructuring activities are undertaken as necessary to execute management's strategy and streamline operations, consolidate and ultimately achieve net cost reductions. During the year ended March 31, 2021 and March 31, 2020 the Company implemented an integration and restructuring plan encompassing various entities within the Americas, Europe, and Middle East regions. It recorded restructuring charges totaling USD 1.5 million and USD 1.7 million as a result of staff and office space optimization and one-time cost incurred in this respect during the year ended March 31, 2021 and March 31, 2020 respectively.

A reconciliation of the amount towards restructuring activities for the years ended March 31, 2021 and March 31, 2020 is as follows:

	(In thousands)
	Severance
Accrued restructuring as of March 31, 2019	$ 1,353
Restructuring charge	$ 1,704
Payments/adjustments against the provision:	
Payments for severance	$ (1,229)
Accrued Restructuring as of March 31, 2020	$ 1,828
Restructuring charge	$ 1,494

	(In thousands)
	Severance
Payments/adjustments against the provision:	
Payments for severance	$ (3,322)
Accrued Restructuring as of March 31, 2021	-

At March 31, 2021 and 2020, the accrued restructuring charge was classified as follows:

	March 31,	
	2021	**2020**
	(In thousands)	
Accrued restructuring, current	$ ---	$ ---
Accrued restructuring, noncurrent	---	1,828
	$ ---	**$ 1,828**

Management expects to finance its restructuring programs through cash generated from its ongoing operations or through cash available under its existing credit facilities, subject to the applicable covenants. Management does not expect the execution of these programs to have an adverse effect on its liquidity position.

NOTE 8—INCOME TAXES

As a result of Tech Mahindra Group's acquisition of the Company in January 2015, the Company had filed its final consolidated federal income tax return which includes all of its US subsidiaries, for year ended December 31, 2014. The Company with all of its subsidiaries and associate became part of Tech Mahindra Group and a subsidiary of Tech Mahindra (Americas), Inc. and accordingly a group consolidated federal income tax return for Tech Mahindra (Americas), Inc. is filed after incorporating the details of the Company including its US subsidiaries, starting with period ended March 31, 2015.

The Company has subsidiaries that file tax returns in several foreign jurisdictions. LCC and its subsidiaries also file tax returns in local tax jurisdictions in many of the countries in which they do business. Many of the Company's subsidiaries' tax returns have been examined through various dates. Generally, the Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending March 31, 2017 to March 31, 2020. In addition, the Company is currently open to audit under the statute of limitations in various foreign jurisdictions for the tax years between 2011 and 2020.

The provision for income taxes for the year ended March 31, 2021 and March 31, 2020 consisted of the following

(Figures in thousands):

	March 31,2021	**March 31, 2020**
Current:		
Federal	509	(173)
State	61	22
Foreign	2,928	2,097
Total Current	**3,498**	**1,946**
Deferred:		
Federal	122	(340)
State	-	(169)
Foreign	(542)	(1,639)
Total Deferred	**(420)**	**1,130**
Total	**3,078**	**3,076**

Deferred income taxes, net includes the following components as of March 31, 2021 and March 31, 2020

	March 31, 2021	March 31, 2020
	(In Thousands)	
Deferred taxes:		
Gross deferred tax assets*	24,523	38,224
Less: valuation allowance	(22,693)	(19,673)
Deferred tax assets, net of valuation allowance	1,830	18,551
Gross deferred tax liabilities	2,143	2,740
Net deferred tax assets/(liabilities)	**(313)**	**15,811**

* Includes receivable of $ nil ($ 16.21 million as at March 31, 2020) from Tech Mahindra (Americas), Inc. using a "benefit-for-loss" method based on consolidated tax return filed by Tech Mahindra (Americas), Inc.

The Company believes that the deferred tax assets are realisable based on the Company's financial results for the year ended March 31, 2021 and March 31, 2020, projected future taxable income and tax planning strategies. The Company's deferred tax assets are primarily comprised of net operating losses of USD 21.76 million and USD 34.20 million at March 31, 2021 and March 31, 2020 respectively. The Company's deferred tax liabilities are primarily related to intangible assets recorded on the acquisition of Leadcom.

Pursuant to Section 382 of the Internal Revenue Code, the Company underwent an ownership change for tax purposes (i.e., a more than 50% change in stock ownership in aggregated 5% shareholder) as a result of the acquisition by Tech Mahindra (Americas), Inc.

The Company has U.S. operating loss carryforwards of USD 34.91 million as of March 31, 2021 which expire beginning in 2029. Entire amount of USD 34.91 million will be utilised within the period of Sec 382 limitation. The Company also has USD 85.38 million of foreign net operating loss carryforwards, some of which can be carried forward indefinitely, subject to certain restrictions.

Foreign income tax expense is generated from business conducted in countries where the Company has subsidiaries or has established branch offices or has performed significant services that constitute a "permanent establishment" for tax reporting purposes. Foreign income tax also includes withholding tax on projects in countries where the Company does not have a registered presence.

The Company has made no provision for deferred U.S. income taxes or additional foreign taxes on any unremitted earnings of its controlled foreign subsidiaries because the Company considers these earnings to be permanently reinvested.

In determining the income tax valuation allowances, management considers whether it is unlikely that any portion of the deferred tax assets will be realized. Based on the Company's financial results for the year ended March 31, 2021 and March 31, 2020, projected future taxable income and tax planning strategies, the Company increased its valuation allowance on foreign and domestic net operating loss carry-forwards and other deferred tax assets by $2.29 million during the year ended March 31, 2021.

As a subsidiary of Tech Mahindra (Americas), Inc., with whom the Company files consolidated federal and state returns, the Company calculates the provision for income taxes by using a "benefits-for-loss" method. The Company's intercompany tax-related receivable from Tech Mahindra (Americas), Inc. are $2.7 million (nil towards deferred tax) and $32.8 million (including $16.21 million towards deferred tax) at March 31, 2021 and March 31, 2020 respectively.

NOTE 9 - LEASES

The Company is a party to operating and finance lease agreements primarily for office facilities, warehouses, residential premises and vehicles expiring on various dates between 2021 and 2029. Some of the operating leases include one or more options to renew. The exercise of these renewal options is at Company's sole discretion. Renewal options were included in the calculations of the operating lease ROU assets and operating lease liabilities when it is reasonably certain that such options will be exercised.

A. Components of lease costs for the year ended March 31, 2021 included in the Statement of operations are as follows:

(In thousands)

Particulars	March 31, 2021
Operating lease cost	2,558
Finance lease cost:	
Depreciation of right-of-use assets	1,046
Interest on lease liabilities	87
Short term lease cost	1,483
Sub-lease income	(590)
Total lease cost	**4,845**

B. Cash paid for amounts included in measurement of lease liability:

(In thousands)

Particulars	March 31, 2021
Operating cash flow towards finance leases	367
Operating cash flow towards operating leases	2,282
Financing cash flow towards finance leases	1,015
Right of use assets recognised in exchange for new finance lease liabilities	496
Right of use assets recognised in exchange for new operating lease liabilities	2,555

C. Components of lease assets and liabilities as at March 31, 2021 included in the Balance Sheet are as follows:

(In thousands)

Particulars – assets	March 31, 2021
Operating lease right-of-use assets	8,324
Finance leases:	
Property and equipment, at cost	4,795
Accumulated depreciation	3,796
Property and equipment, net	999

(In thousands)

Particulars – liabilities	March 31, 2021
Operating lease:	
Current	2,118
Non-current	6,869
Finance lease:	
Current	751
Non-current	57

D. Weighted Average Remaining Lease term and Discount Rate:

Particulars	LCC (excluding Leadcom)	Leadcom	Average*
Weighted-Average Remaining Lease Term:			
Operating leases	6.09 years	5.40 years	5.75 years
Finance leases	1.75 years	0.90 years	1.33 years
Weighted-Average Discount Rate:			
Operating leases	2.22%	6.20%	4.21%
Finance leases	0.91%	7.30%	4.10%

* Average has been derived by considering weighted average of LCC and Leadcom data.

E. The following table provides the schedule of maturities of operating and finance lease liabilities, under the New Lease Standard, as of March 31, 2021:

(In thousands)

Particulars – Operating leases	**March 31, 2021**
2021-2022	2,186
2022-2023	1,795
2023-2024	1,370
2024-2025	1,231
2025-2026	1,282
Thereafter	1,914
Total lease payments	**9,778**
Less: Imputed Interest	791
Net	**8,987**

(In thousands)

Particulars – Finance leases	**March 31, 2021**
2021-2022	772
2022-2023	59
Total lease payments	**831**
Less: Imputed Interest	23
Net	**808**

NOTE 10—HEALTH AND RETIREMENT PLANS

April 2020 to March 2021

Defined contribution plan

The Company's foreign subsidiaries participate in separate defined contribution retirement plans for which the Group made contributions on behalf of employees amounting to $2.2 million and $2.7 million for the year ended March 31, 2021 and 2020, respectively.

Defined benefit plan

The amount recognized in the consolidated statement of operations related to gratuity plans were approximately $2.7 million and $2.6 million for the year ended March 31, 2021 and March 31, 2020, respectively.

The following table sets out the unfunded status of the Gratuity Scheme.

(In thousands)

	Year ended March 31, 2021	**Year ended March 31, 2020**
Change in the benefit obligation		
Projected Benefit Obligation ("PBO") at the beginning of the year	7,601	6,632
Service cost	1,683	2,005
Interest cost	267	297
Actuarial loss/(gain)	794	281
Benefits paid	(2,616)	(1,505)
Exchange loss/(gain)	9	(109)
PBO at the end of the year	**7,738**	**7,601**

The expected benefit payments during the next 10 years are given below:

(In thousands)

Financial Year Expected benefit payments	As at March 31, 2021
2021-22	1,066
2022-23	923
2023-24	977
2024-25	1,024
2025-26	1,076
2026-31	5,040

The assumptions used to determine net benefit cost were as follows:

	Year ended March 31,2021	Year ended March 31, 2020
Discount rate (p.a.)	2.1% to 6%	4% to 4.7%
Rate of increase in compensation levels	2% to 5%	2% to 5%

The Group evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on market yields at the end of the reporting period on government bonds.

The Company's US group health benefits are self-insured for claims up to $0.35 million, per participant per plan year (individual stop loss) under the Tech Mahindra stop loss policy. It carries aggregate reinsurance capped at approximately $50.2 million for the entire Tech Mahindra population, depending on the number of participants during the year and actual monthly enrollments.

Characteristics of the Company's non-US health benefits vary by region.

NOTE 11—SHAREHOLDERS' EQUITY

As of March 31, 2021, all of the outstanding common stock issued by the Company are wholly owned by Tech Mahindra Americas, Inc.

NOTE 12—RELATED PARTY TRANSACTIONS

During the year ended March 31, 2021 and 2020, the Company had the following related party transactions with the below mentioned related parties.

1. **List of related parties and relationships (where there are transactions):**

   Ultimate Holding Company

   Tech Mahindra Limited

   Holding Company

   Tech Mahindra Americas, Inc.

   Fellow subsidiaries

   Tech Mahindra DE Mexico S DE RL DE CV

   Tech Mahindra GmbH

   Tech Mahindra Limited

   Tech Mahindra Services De Informatica LTDA – Brazil

   CJS Solutions Group LLC

2. Related party transactions

(In thousands)

Nature of Transaction	Name of Related Party	March, 31 2021	March, 31 2020
Interest Expenses	Tech Mahindra Americas, Inc	151	-
Reimbursement of Services	Tech Mahindra Americas, Inc	893	608
	Tech Mahindra Services De Informatica LTDA - Brazil	3	-
	Tech Mahindra DE Mexico S DE RL DE CV	-	85
	Tech Mahindra Limited	590	789
Rent Expense	Tech Mahindra Limited	116	116
	Tech Mahindra DE Mexico S DE RL DE CV	227	149
Rent Income	Tech Mahindra Limited	14	13
Revenue from Services	Tech Mahindra Americas, Inc	11	4,618
	Tech Mahindra Limited	14,161	12,774
	Tech Mahindra DE Mexico S DE RL DE CV	1,188	1,585
	Tech Mahindra GmbH	33	-
Loan taken	Tech Mahindra Americas, Inc	34,000	-
	CJS Solutions Group LLC	20,000	-
Repayment of loan taken	Tech Mahindra Americas, Inc	27,000	-
	CJS Solutions Group LLC	2,000	-
Subcontractor Expenses	Tech Mahindra Limited	2,102	1,402
Tax	Tech Mahindra Americas Inc	0	391
	Tech Mahindra Limited	50	376
	Tech Mahindra DE Mexico S DE RL DE CV	255	185

3. Balances with related parties (as at year-end)

(In thousands)

Nature of Transaction	Name of Related Party	March, 31 2021	March, 31 2020
Accounts Payable	Tech Mahindra Americas, Inc	260	3,369
	Tech Mahindra Limited	5,467	4,117
	Tech Mahindra DE Mexico S DE RL DE CV	153	68
	Tech Mahindra DE Mexico S DE RL DE CV (ROU Liability)	142	-
Accounts Receivable	Tech Mahindra Services De Informatica LTDA - Brazil	3	-
	Tech Mahindra Americas Inc	2,785	33,130
	Tech Mahindra GmbH	33	-
	Tech Mahindra Limited	3,785	3,583
	Tech Mahindra DE Mexico S DE RL DE CV	449	1,074
Loan Payable	Tech Mahindra Americas, Inc	7,000	-
	CJS Solutions Group LLC	18,000	-
	Tech Mahindra Limited	47	50

NOTE 13—INVESTMENTS IN OTHER ENTITIES

The Company accounts for the investment in Djazatech using the equity method and recognizes its 49% share of Djazatech's profits and losses. The Company has created provision towards this investment during the year ended March 31, 2018. Further, the Company's share of losses of this associate exceeds its interest in the associate; hence, the Company has discontinued recognizing its share of further losses.

NOTE 14—COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is a party to various litigation matters and claims that are normal in the course of operations and while the results of such litigation matters and claims cannot be predicted with certainty, the Company believes that it is not reasonably possible that the final outcome of such matters will have a material adverse impact on the consolidated financial position, results of operations or cash flows of the Company.

As per ASC 450 "Contingencies", loss contingencies towards Income tax liability that may arise in respect of matters in appeal as at March 31, 2021 and 2020 is $ 4.27 million and $ 3.44 million respectively. Guarantees outstanding as at March 31, 2021 and 2020 are $0.07 million and $0.20 million respectively.

NOTE 15 - Estimation uncertainty relating to the global health pandemic - COVID-19

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. The impact of COVID-19 on the business operations of the Company, including the duration, cannot be reasonably ascertained at this point in time, however, considering the fact that the Company's services have been classified as essential services, the management does not anticipate any material adverse impact on the business, results of operations, financial position and cash flows in the financial year ending 31 March 2022.

NOTE 16—SUBSEQUENT EVENTS

The Company evaluated its financial statements for subsequent events through June 17, 2021, the date the financial statements were available to be issued. The Company is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

ZEN3 INFOSOLUTIONS (AMERICA) INC.

Board of Directors
Mr. Harshul Asnani
Mr. Phanindra Sri Manoj Kanumuri
Mr. Dhiresh Kumar

Registered Office
4014 148th Ave NE,
Redmond, WA, 98052,
USA

Bankers
JP Morgan Chase

ZEN3 INFOSOLUTIONS (AMERICA) INC.

BALANCE SHEET AS ON 31ST DECEMBER 2020

ASSETS

	2020
CURRENT ASSETS	
Cash and cash equivalents	$11,412,615
Accounts receivable, net of allowance for doubtful accounts of the year 2021 and of the year 2020	$6,353,259
Prepaid expenses and other current assets	$1,720,867
TOTAL CURRENT ASSETS	**$19,486,741**
PROPERTY AND EQUIPMENT, net	$-
DEPOSITS	$-
DEFERRED TAX ASSETS	$-
TOTAL ASSETS	**$19,486,741**
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Checks issued in excess of bank balance	$-
Lines of credit	$-
Accounts payable	$2,752,074
Accrued payroll and related liabilities	$667,056
Due to related parties	$-
TOTAL CURRENT LIABILITIES	**$3,419,130**
EQUITY	**$16,067,611**
TOTAL LIABILITIES AND EQUITY	**$19,486,741**

Harshul Asnani
Director
Date: July 8th,2021
Place: USA

Phanindra Sri Manoj Kanumuri
Director

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Year ended 31st December 2020	**2020**
Sales	$44,191,589
Cost of goods sold	$30,957,131
GROSS PROFIT	**$13,234,458**
General and administrative expense	$2,367,189
INCOME (LOSS) FROM OPERATIONS	**$10,867,268**
Other income (expense)	
Commission income (expense)	$-
Income (loss) from subsidiaries	$-
Other income (expense), net	$-
Interest expense	$-
Total other income (expense), net	**$-**
INCOME (LOSS) BEFORE TAX EXPENSE	**$10,867,268**
Income tax expense (benefit)	$-
NET INCOME (LOSS)	**$10,867,268**
Less: net income attributable	
to non-controlling interest	$-
NET INCOME (LOSS)	**$10,867,268**
Other comprehensive loss	
Foreign currency translation gain	$-
TOTAL COMPREHENSIVE INCOME (LOSS)	**$10,867,268**

Harshul Asnani
Director
Date: July 8th,2021
Place: USA

Phanindra Sri Manoj Kanumuri
Director

ZEN3 INFOSOLUTIONS (AMERICA) INC.

STATEMENT OF EQUITY AND COMPREHENSIVE INCOME

	Common stock*	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total equity	Non-controlling interest	Total
Balance at April 1, 2020	$1,500	$1,341,253	$3,857,589	$-	$5,200,342	$-	$5,200,342
Distributions	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-
Foreign currency translation loss	-	-	-	-	-	-	-
Balance at 31st December 2020	**1,500**	**1,341,253**	**3,857,589**	**-**	**5,198,842**	**-**	**5,200,342**
Distributions	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	10,867,268
Foreign currency translation gain	-	-	-	-	-	-	-
Balance at 31st December 2020	**$1,500**	**$1,341,253**	**$3,857,589**	**$-**	**$5,198,842**	**$-**	**$16,067,611**

Harshul Asnani
Director
Date: July 8th,2021
Place: USA

Phanindra Sri Manoj Kanumuri
Director

STATEMENT OF CASH FLOWS

Years Ended 31st December 2020	**2020**
CASH FLOW FROM OPERATING ACTIVITIES	
Net income	$10,867,268
Adjustments to reconcile net income to net cash provided by (used in) operating activities	
Depreciation	
Provision for doubtful receivables	
(Gain) loss on sale of property and equipment	
Deferred tax asset	
(Increase) decrease in:	
Accounts receivable	$705,539
Prepaid expenses & Other Current Assets	$(1,628,884)
Increase (decrease) in:	
Accounts payable	$(185,555)
Accrued expenses,Payroll and other liabilities	$(413,932)
Income Tax	$-
Net cash provided by (used in) operating activities	**$9,344,437**
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property and equipment	
Proceeds from sale of Investments	$1,699,618
Net repayments from related parties	
Net cash used in investing activities	**$1,699,618**
CASH FLOW FROM FINANCING ACTIVITIES	
Line of credit	
Change in Equity and reserves	$(1,699,618)
Profit & Loss	
Share Capital	
Net cash provided by (used in) financing activities	**$(1,699,618)**
Foreign currency translation adjustment	$-
NET CHANGE IN CASH AND CASH EQUIVALENTS	**$9,344,435**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	$2,068,180
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$11,412,615**
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES	
Change in net unrealized gain (loss) on futures contracts	$-
Cash paid during the year for interest	$-
Cash paid during the year for income taxes	$-

Harshul Asnani
Director
Date: July 8th,2021
Place: USA

Phanindra Sri Manoj Kanumuri
Director

ZEN3 INFOSOLUTIONS PRIVATE LIMITED

Board of Directors

Mr. Vivek Satish Agarwal - Director
Mr. Ravichandran Lakshminarayanan - Director
Mr. Nagesh Cherukuri- Director (resigned w.e.f 23.03.2021)
Mr. Narasimham Venkata Rachakonda- Additional Director (appointed w.e.f. 25.02.2021)

Registered Office

Vaishnavi's Cynosure, Unit No-8A, Sy.No.18
Telecom Nagar, Gachibowli, Serilingammpally
Hyderabad – 500032

Bankers

Axis Bank Limited

Auditors

M/s. K.Vijayaraghavan & Associates LLP
Plot 54, Sagar Society, Road No.2, Banjara Hills,
Hyderabad, Telangana 500034

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the **Sixth (6th)** Annual Report together with the Audited Financial Statements of your company for the financial year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

Financial results of your Company are as under:

(Rs. In Lakhs)

Particulars	2020-21	2019-20
Turnover	10608.19	9078.29
Profit before Depreciation	1423.76	1224.21
Less: Depreciation	529.84	528.79
Profit/Loss before tax	893.91	695.42
Less: Income Tax Expense		
Current Tax including prior year taxes	375.84	191.02
Deferred Tax	-58.73	-40.75
Profit After Tax	576.80	545.14

RESULTS OF THE OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Company has achieved a Turnover of Rs. 10608.19/- Lakhs as against previous year turnover of Rs.9078.29/- Lakhs and earned the Net Profit of Rs.576.80/- as against Net profit Rs. 545.14/- Lakhs of Previous year. During the year the performance of the Company is quite impressive and your directors feel that, barring unforeseen circumstances, your company will achieve better results in the coming years.

DIVIDEND

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31st 2021.

TRANSFER TO RESERVES

The Company has transferred Rs. 576.80 Lakh to Reserves & Surplus during the year under review.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

However, during the Financial year the shares held by Zen3 Infosolutions (America) Inc (Holding Company) have been transferred to Tech Mahindra Limited, (CIN: L64200MH1986PLC041370), thereby the company becomes wholly owned subsidiary of the Tech Mahindra Limited.

SHARE CAPITAL

During the year there were no changes in the share Capital of the company

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2020-21 is available on the Company's website at https://zen3tech.com/

MEETINGS OF THE BOARD OF DIRECTORS

The Company had 5 (Five) Board Meetings during the financial year under review. The details are mentioned below

S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	09.04.2020	2	2	100
2.	06.06.2020	3	3	100
3.	28.09.2020	3	3	100
4.	04.11.2020	3	3	100
5.	25.02.2021	3	3	100

General Meetings:

Type	Date of Meeting	Total members	No. of Members Present	% of Members Share Holding
AGM	30.09.2020	2	2	100

AUDITORS

At the 4th Annual General Meeting of the Company held on 30.09.2019, K.Vijayaraghavan& Associates LLP, Hyderabad, (Firm's Regn.No: 004718S), were appointed as Statutory Auditors of the Company to hold office for five consecutive years till the conclusion of the 9th Annual General Meeting of the Company in the calendar year 2024.

Further they confirmed that they are not disqualified to continue as Statutory Auditors.

AUDITORS' REPORT

There are no qualifications or reservations or adverse remarks in the Auditor's Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory and needs no further explanation.

COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (Ind AS)

The company being the wholly owned subsidiary of a Listed Company has adopted the Indian Accounting Standards (In AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as such the financial statements are prepared accordingly.

The financial statements up to year ended 31st March, 2021 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the second financial statements of the Company under Ind AS.

LOANS, GUARANTEES AND INVESTMENTS

Your Directors confirm that there were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

RELATED PARTY TRANSACTIONS

Your Directors confirm that all contracts or arrangements entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis as disclosed in Form No. AOC- 2 as per Annexure-1 and is attached to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of Energy, Technology Absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy have not been furnished considering the nature of activities undertaken by the company are service in nature during the year under review. Your company, however, has taken significant measures to reduce energy consumption by using energy efficient computers and by using energy efficient equipment. Energy conservation is a consistent focus area for your company both from a cost control and a social responsibility perspective and further the company has not imported any technology during the period under review

	2020-2021	2019-2020
B. Foreign Exchange earnings	Rs.65,88,47,668/-	Rs. 63,06,81,437/-
C. Foreign Exchange outgo- Travelling Expenses	NIL	NIL

DEPOSITS

Your Directors, report that the company has neither accepted nor renewed any deposits covered under Chapter V of the Act during the year under review.

RISK MANAGEMENT

The Company does not have any Risk Management Policy.

CORPORATE SOCIAL RESPONSIBILITY

The Company has complied with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended for the Financial year 2020-21.

As per the Sec.135(5), an amount of two percent (2%) of the average net Profits of the Company made during the three immediately preceding financial years which works out to Rs. 7,59,885/- is to be spent towards Corporate Social Responsibility Activities. The Company has spent amount towards the CSR activities in the financial year

2020-21. The Annual Report on Corporate Social Responsibility Activities of the Company for the Financial Year 2020-21 has been provided in Annexure 2 enclosed to this report.

DIRECTORS

During the year the following changes were made in the Board of Directors:

I. Sri. PurshothomDevabhaktini, (DIN:07951139) resigned from the board effective from the end of the board meeting held on the Closing Date (as defined in the Share Purchase Agreement dated February 24, 2020)." i.e., 09.04.2020.

II. Mr. Vivek Satish Agarwal (DIN: 05218475), and Mr. Ravichandran Lakshminarayanan (DIN: 05205421), were appointed as an additional directors of the company with effect from 09.04.2020, later on they were appointed as directors of the company in the last Annual general Meeting held on 30.09.2020.

III. Mr. Narasimham Venkata Rachakonda (DIN 00339167), was appointed as an additional director of the company with effect from 25.02.2021. As per the provisions of the Section 161(1) of the Companies Act, 2013 he hold office up to the date of the ensuing Annual General Meeting. The Board felt that his experience will be of immense help to the company for effective management and recommends his candidatures for appointment as Directors in the ensuing Annual General Meeting for the approval of the members.

IV. Sri. Nagesh Cherukuri, ((DIN: 07176716) resigned from the office of directorship with effect from 23rdMarch,2021.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) Company being unlisted sub clause (e) of section 134(3) is not applicable.

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

There is an adequate internal control system commensurate with the size of the Company and the nature of business.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

No cases were filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

ORDER OF COURT

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operations in future.

COVID 19 DISCLOSURE

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects that the carrying amount of the assets will be recovered, net of provisions established.

OTHER DISCLOSURES

Directors of your company hereby state and confirm that the Company has complied with all the applicable Secretarial Standards.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep and sincere gratitude and appreciation for cooperation extended by the Governmental Agencies, Shareholders.

Your Directors also place on record their appreciation for the contributions made by the employees through their dedication, hard work and commitment. Your Directors also convey thanks and appreciation to the valued customers and dealers for their continued patronage.

For and on Behalf of the Board

	Vivek Satish Agarwal	**Narasimham Venkata Rachakonda**
Place: Hyderabad	Director	Director
Date: June 28, 2021	DIN: 05218475	DIN: 00339167

ANNEXURE -1

Form No. AOC-2

[Pursuant to clause (h) of dub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   M/s.Zen3 Infosolutions Private Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020-21.

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

   The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2021 are as follows:

Name of related party	Nature of relationship	Duration of contract	Salient terms#	Amount (in Rupees)
Mr.MadhuPonduru	Employee of Holding Company	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2020-21	50,35,240
Manoj Kanumuri	KMP-CEO	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2020-21	44,94,042
Surya Rao Kalla	Employee of Holding Company	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2020-21	60,08,762
Divya Kalla	Relative of Surya Rao Kalla (Employee of Holding Company)	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2020-21	10,54,170/-
Arundhati Kalla	Relative of Surya Rao Kalla (Employee of Holding Company)	Agreement Date: 01-07-2018, Duration for Contract 01-07-2018 to 30-06-2023	Rent paid for FY 2020-21	10,54,170/-
Zen3 Infosolutions (America) Inc	Holding Company	From time to time	Rendering Software Services	61,18,75,784/-
Oslo Solutions LLC	Sister Company	From time to time	Rendering Software Services	Nil

since the contract was entered into in the ordinary course of business and on arm's length basis no approval is required and No advance has been received.

For and on Behalf of the Board

	Vivek Satish Agarwal	**Narasimham Venkata Rachakonda**
Place: Hyderabad	Director	Director
Date: June 28, 2021	DIN: 05218475	DIN: 00339167

Annexure-2

Annual Report on Corporate Social Responsibility Activities of

Zen3 Infosolutions Private Limited for the Financial Year 2020-21

CIN NO.: U72200TG2015PTC102411
Regd. Office : Vaishnavi's Cynosure,Unit No-8A, Sy.No.18 Telecom Nagar,Gachibowlli, Serilingammpally Hyderabad TG 500032 IN
e-mail : info@zen3tech.com ,
website : www.zen3tech.com
Tel: +040-40011111

Introduction

Zen3 Infosolutions Private Limited, (hereinafter referred to as Company), is in the business of computer and related activities. The Company strives for holistic business growth. The company belives that alongwith economic performance, environmental and social stewardship is also required. The Company's focus has always been to contribute towards the sustainable development of society and environment.

The Corporate Social Responsibility(CSR) Contribution amount being less than Rupees Fifty Lacs for the Financial year 2020-2021, functions of the CSR Committee provided under section 135 of the Companies Act, 2013 are being discharged by the Board of Directors.

1. **Brief outline on CSR Policy of the Company.**

   Zen3 Infosloutions Private Limited implements its CSR Programs primarily through Tech Mahindra Foundation (TMF) (Section 25 Company set up under the Companies Act 1956). The CSR activities of the company are in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereunder. CSR focus area for the company is primarily promotion of Education. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged and vulnerable and marginalized population.

2. **Composition of CSR Committee.**

   The functions of the CSR Committee provided under section 135 of the Companies Act, 2013 are being discharged by the Board of Directors.

   Board of Directors:

   Mr VIVEK SATISH AGARWAL

   Mr RAVICHANDRAN LAKSHMINARAYANAN

   Mr NARASIMHAM VENKATA RACHAKONDA

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   The CSR policy of the company can be accessed on the website of the Company www.zen3tech.com

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014. – N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year. - NIL

6. **Average net profit of the company as per section 135(5).**

   FY 17-18 – Rs. 160,919,63

   FY 18-19 – Rs. 28,348,551

   FY 19-20 – Rs. 69,542,284

   The Average Net Profit before Tax is Rs. 37,994,266

7. (a) **Two percent of average net profit of the company as per section 135(5)** – Rs. 7,59,885.00(rounded off to nearest hundred)

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.** - NIL

(c) Amount required to be set off for the financial year, if any - NIL

(d) Total CSR obligation for the financial year (7a+7b-7c). – Rs. 7,59,885.00

8. (a) CSR amount spent or unspent for the financial year 2020-2021

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.) - NIL				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
7,59,885.00	NIL	N.A.	N.A.	NIL	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)	
Sl. No.	Name of the Project.	Programme	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
					State.	District.			Name.	CSR Registration number.
1.	Education	Arise+	Schedule VII, Item 2 (promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects)	No		Delhi	7,59,885.00	No	Tech Mahindra Foundation	CSR00001814
	Total						7,59,885.00			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment – N.A.

(f) Total amount spent for the Financial Year 2020-21 (8b+8c+8d+8e) – Rs. 7,59,885.00

(g) Excess amount for set off - NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	7,59,885.00
(ii)	Total amount spent for the Financial Year	7,59,885.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2017-2018	NIL	NIL	NIL	NIL	NIL	NIL
2.	2018-2019	NIL	NIL	NIL	NIL	NIL	NIL
3.	2019-2020	NIL	NIL	NIL	NIL	NIL	NIL
	Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total							

10. Details relating to the asset created or acquired through CSR spent in the financial year - N.A.

(a) Date of creation or acquisition of the capital asset(s). – N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset. – N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – N.A.

For and on Behalf of the Board

	Vivek Satish Agarwal	**Narasimham Venkata Rachakonda**
Place: Hyderabad	Director	Director
Date: June 28, 2021	DIN: 05218475	DIN: 00339167

INDEPENDENT AUDITORS' REPORT

To the Members of Zen3 Infosolutions Private Limited, Hyderabad

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Zen3 Infosolutions Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including comprehensive income) and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its statement of profit and loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than Standalone Financials Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the management representation letter, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

(a) 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

(e) 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.

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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

3. 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 it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS")

   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.004718S

K. Ragunathan
Partner
Membership No. 213723
UDIN : 21213723AAAAGT3839

Place: Hyderabad
Date: June 28, 2021

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of Zen3 Infosolutions Private Limited on the standalone financial statements for the year ended March 31, 2021, we report that:

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, entire fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanation given to us and on the basis of examination of the records of the company, the Company does not hold any immovable properties.

ii. Due to the nature of business, the Company does not hold any physical inventories and accordingly the provisions of paragraph 3(ii) of the Order is not applicable to the company.

iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to parties listed in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments and providing guarantees and securities.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company.

vii. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues were in arrears as at 31st of March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material statutory dues in respect of Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to bank or debenture holders as at the balance sheet date.

ix. According to the information and explanation given to us the company has not raised any money by the way of initial public offer or further public offer and the term loans have been applied for the purpose for which they were raised.

x. According to the information and the explanation given to us and based on the audit procedures performed, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

xi. As the Company is a Private Limited Company, the provisions of paragraph 3(xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanation given to us, the company is not a Nidhi company. Accordingly paragraph 3(xii) is not applicable to the company.

xiii. According to the information and the explanation given to us and based on the examination of the records of the company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and the explanation given to us and based on the examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

xv. According to the information and the explanation given to us and based on the examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) is not applicable

xvi. The company is not required to be registered under Section 45-IA of Reserve Bank of India act, 1934 and accordingly the provisions of the paragraph 3(xiv) of the Order is not applicable to the company.

For K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.004718S

K. Ragunathan
Partner
Membership No. 213723
UDIN : 21213723AAAAGT3839

Place: Hyderabad
Date: June 28, 2021

ANNEXURE B TO THE AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Zen3 Infosolutions 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 Zen3 Infosolutions Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 internal financial controls system over financial reporting of the Company.

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 standalone 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:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

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 K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.004718S

K. Ragunathan
Partner
Membership No. 213723
UDIN : 21213723AAAAGT3839

Place: Hyderabad
Date: June 28, 2021

BALANCE SHEET AS AT

(Amount expressed in ₹ unless otherwise stated)

Particulars	Note	31-Mar-2021	31-Mar-2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	32,254,910	33,419,887
Right of use assets (for lease)	4	7,660,672	33,484,368
Capital work-in-progress		-	-
Intangible assets	3	897,243	2,099,076
Intangible assets under development		-	-
Financial assets			
- Other Financial Assets	5	12,599,450	13,283,450
Deferred Tax Assets (Net)	6	12,685,632	7,991,072
Other Non-Current Assets		-	-
CURRENT ASSETS			
Inventories		-	-
Financial assets			
- Trade Receivables	7	162,788,179	53,582,544
- Cash and Cash Equivalents	8	28,327,429	31,409,381
- Other Financial Assets		-	-
Other Current Assets	9	10,441,910	26,021,492
Non-Current assets classified as Held for Sale		-	-
TOTAL		**267,655,425**	**201,291,270**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	10	10,000,000	10,000,000
Other Equity	10	166,437,175	105,251,040
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings			
(a) Lease Liabilities		-	-
(ii) Other financial liabilities		-	-
Provisions	11	33,644,066	22,761,466
Deferred Tax Liabilities (Net)		-	-
Lease Liabilities	12	-	8,773,488
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	12	8,773,488	27,168,860
(a) Lease Liabilities		-	-
(b) Trade Payables	13	9,708,602	5,812,430
(ii) Other financial liabilities	14	20,871,568	20,804,410
Provisions	11	1,975,328	719,576
Other Current Liabilities		-	-
Current Tax Liabilities (Net)	15	16,245,197	-
Liabilities associated with group(s) of assets held for disposal		-	-
TOTAL		**267,655,425**	**201,291,270**
Summary of significant accounting policies	1&2		
The accompanying notes are an integral part of the financial statements.	3 to 26		

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: 004718S

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 28, 2021

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Hyderabad
Date: June 28, 2021

Narasimham Venkata Rachakonda
Director
DIN: 00339167
Place: Hyderabad
Date: June 28, 2021

ZEN3 INFOSOLUTIONS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED

(Amount expressed in ₹ unless otherwise stated)

Particulars	Note	31-Mar-2021	31-Mar-2020
INCOME			
I. Revenue from operations	16	1,060,819,336	907,829,098
II. Other income	17	569,643	165,192
III. Total Revenue (I+II)		**1,061,388,979**	**907,994,290**
IV. EXPENSES			
Emloyee benefit expense	18	815,953,548	682,069,858
Finance Cost	19	2,764,251	6,083,951
Depreciation and Amortisation expense	20	52,984,706	52,879,190
Other Expenses	21	100,295,019	97,419,008
Total expenses		**971,997,524**	**838,452,006**
V. Profit/ (loss) before exceptional items and tax (III-IV)		**89,391,455**	**69,542,284**
VI. Exceptional items		-	
VII. Profit/ (loss) before tax		**89,391,455**	**69,542,284**
VIII. Tax expense			
a) Current tax		30,693,070	19,102,712
b) Prior Year Taxes		6,891,093	-
c) Deferred tax		(5,873,500)	(4,075,059)
Total Tax Expense		**31,710,663**	**15,027,653**
IX. Profit/ (loss) for the period from continuing operations (VII-VIII)		**57,680,792**	**54,514,630**
X. Profit/(Loss) from Discontinuing Operations			
a) Profit/ (loss) from discontinued operations		-	-
b) Tax expense of discontinued operations		-	-
		-	**-**
XI. Profit/ (loss) for the period (IX+X)		**57,680,792**	**54,514,630**
XII. Other comprehensive income			
a Items that will not be reclassified to profit or loss		4,684,284	(1,865,612)
b) Income tax relating to items that will not be reclassified to profit or loss		1,178,941	(469,537)
Total other comprehensive income/(loss) for the period		**3,505,343**	**(1,396,075)**
Total Comprehensive Income for the period (XI+XII)		61,186,135	53,118,555
Earnings per equity share (for continuing operations)	22	57.68	54.51
a) Basic		57.68	54.51
b) Diluted			
Summary of significant accounting policies	1&2		
The accompanying notes are an integral part of the financial statements.	3 to 26		

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: 004718S

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 28, 2021

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Hyderabad
Date: June 28, 2021

Narasimham Venkata Rachakonda
Director
DIN: 00339167
Place: Hyderabad
Date: June 28, 2021

CASH FLOW STATEMENT

(Amount expressed in ₹ unless otherwise stated)

Particulars	31-Mar-2021	31-Mar-2020
(A) Cash Flows from Operating Activities		
Profit Before Taxation	89,391,455	69,542,284
Adjustments for:		
Depreciation on Plant, Property & Equipment	25,725,765	23,446,983
Amortization of Intangible Assets	1,729,804	1,533,099
Amortization of Right of Use of Assets	25,529,137	27,899,108
Gratuity and Leave Encashment	19,009,842	12,066,464
Interest Income	(47,199)	(43,297)
Profit on sale of Mutual Funds	-	(1,117)
Finance cost on lease liabilities	2,764,251	6,083,951
Operating Profit before Working Capital Changes	**164,103,055**	**140,527,474**
Movements in working capital :		
(Increase) / Decrease in Trade Receivables	(109,205,635)	(37,488,888)
(Increase) / Decrease in Current Assets	15,579,582	(4,323,508)
(Increase) / Decrease in Non Current Assets	684,000	(1,617,000)
Increase / (Decrease) in Trade Payables	3,896,172	(9,109,821)
Increase / (Decrease) in Current Liabilities	67,158	12,660,970
Cash Generated from / (used in) Operations	**75,124,332**	**100,649,228**
Benefits Paid	(2,187,206)	(1,284,017)
Income Taxes	(21,338,966)	(10,170,390)
Net Cash Flow from/ (used in) Operating Activities	**51,598,160**	**89,194,821**
(B) Cash Flows from Investing Activities		
Purchase of Fixed Assets	(24,794,201)	(36,415,774)
Interest Income	47,199	43,297
Proceeds from Sale of Mutual Funds	-	1,117
Net Cash Flow from/ (used in) Investing Activities	**(24,747,002)**	**(36,371,360)**
(C) Cash flows from Financing Activities		
Finance cost on lease liabilities	(2,764,251)	(6,083,951)
Repayment of lease liabilities	(27,168,861)	(26,756,161)
Net Cash Flow from/ (used in) Financing Activities	**(29,933,112)**	**(32,840,112)**
Net Increase in Cash and Cash Equivalents	(3,081,954)	19,983,349
Cash and Cash Equivalents at Beginning of Period	31,409,383	11,426,034
Cash and Cash Equivalents at End of Period	**28,327,429**	**31,409,383**

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: 004718S

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 28, 2021

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Hyderabad
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Narasimham Venkata Rachakonda
Director
DIN: 00339167
Place: Hyderabad
Date: June 28, 2021

ACCOUNTING POLICIES

(Amount expressed in ₹ unless otherwise stated)

Company Overview and Significant Accounting Policies

1 Company Overview

Zen3 Infosolution Private Limited is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 on 28th December, 2015. The Company is a leading software solutions group developing innovative solutions for media, travel and technology industries. It has a domain expertise in big data, machine learning and content solutions. The Company services customers in UK, US and India. It has technology professionals working in various worldwide locations delivering innovative digital media and technology solutions.

2 Significant Accounting Policies

2.1 Compliance Statement

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101-First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

2.2 Basis for preparation of Financial Statements

"The financial statements have been prepared in Indian Rupees(INR) which is also the company's functional currency. These statements are prepared in accordance with Indian Accounting Standards (referred to as Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (`Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use."

2.3 Previous Year Comparative Figures

The company has voluntarily adopted Ind ASs, in accordance with Ind ASs notified under the Companies Act, 2013 from the FY 2019-20 onward. However, the company has chosen to present the comparative information in accordance with previous GAAP and confirms that there is no prominent impact as a result of which, except for those labelled specifically.

2.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical accounting estimates

a. Revenue Recognition

Revenue is recognized upon completion of Milestones described in customer agreements.

When the outcome of a transaction involving the rendering of service can be estimated reliably, the revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period.

b. Income taxes

Significant judgements are involved in determining the tax provisions. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognized or recognised are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

c. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. 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 periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

d. Impairment

The company assesses at each balance sheet date whether there is any indication that an asset including intangible may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

e. Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

f. Defined Benefit Plans and Compensated Absences

Provision for Gratuity and Leave Encashment are made on the basis of actuarial valuation carried out on the Balance Sheet date by an Independent Actuary. An actuarial valuation involves making various assumptions like discount rate, mortality rates and these may differ from actual developments in future. A defined benefit obligation is highly sensitive to changes in such assumptions. These assumptions are reviewed at each reporting date.

2.5 Property, Plant & Equipment and Intangibles

a. Property, Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on assets is provided using the written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

The Company has estimated the residual value to be 5% of the value of the assset.

The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end

b. Intangibles:

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is as under:

- Goodwill is amortised over a period of 10 years.
- SAP Upgrade License/ Implementation fees is amortised over a period of 24 months.
- Intangible assets on account of R&D Projects amortised over a period of 36 months."

The company uses a presumption that the useful life of an intangible asset will not exceed three years from the date when the asset is acquired.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

Amortization methods and useful lives are reviewed periodically including at each financial year end.

2.6 Impairment of Assets:

a. Financial Assets:

Expected Credit Losses:

The Management is of the view that all the monies receivable against sales will be received in full. The revenue policy has been revised from the current year whereby all the invoices are booked only after receipt of the customers' confirmation. Accordingly, no expected credit loss has been recognized.

b. Non Financial Assets

The company estimates the recoverable amount of the asset in case any indications exists that Plant, Property & Equipment and Intangibles may be impaired . Such assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.7 Revenue Recognition:

a. Revenue from Operations

The company has adopted IND AS 115 using the modified retrospective method. The adoption of this standard did not have a significant impact on the financial statements of the company.

Revenue includes the gross inflows of economic benefits received and receivable by the company on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are excluded from revenue. Excise duty is included in "Gross Revenue" and is shown separately in profit and loss statement.

I. Measurement:

Revenue is measured at the fair value of consideration received or receivable.

II. Recognition

Revenue is disclosed inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue from operations comprises of Income earned from DTA Services and Software Development Services.

Revenue from software services primarily consists of services performed on a contract basis. The related revenue is recognized upon completion of Milestones described in customer agreements."

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

When the outcome of a transaction involving the rendering of service can be estimated reliably, the revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

(i) The amount of revenue can be measured reliably;

(ii) It is probable that economic benefits will flow to the company;

(iii) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

(iv) The costs incurred or to be incurred in respect of the transaction can be measured reliably."

When the outcome of a transaction involving the rendering of service cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

b. Other income

Other income is comprised primarily of interest income, dividend income and rental income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.8 Foreign Currency Transactions:

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian Rupees.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Liabilities and Assets in foreign currency are recognized in accounts as per the following governing principles:

(I) Non monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

(II) Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

(III) Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction."

2.9 Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset 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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturity of three months or less when purchased, to be cash and cash equivalents.

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 and loss. For trade and other payables maturing with in one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.10. Employee Benefits:

The company has adopted IND AS 19-Employee Benefits, and has disclosed employee benefits accordingly through profit and loss statement and other comprehensive income.

Short-term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

a. Defined Benefit Plans:

The company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediatley in balance sheet with a charge or credit recognized in the other comprehensive income in the period in which they occur.

b. Defined Contribution Plans:

Company's contributions paid/payable during the year are recognized in the Profit and Loss Account.

(i) Provident Fund: The eligible employees of the company are entitled to receive the benefits of Provident Fund, a defined contribution plan, in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. Provident fund is administered through Regional Provident Fund Commissioner. The Company has no further obligations for future provident fund.

(ii) Employee State Insurance: The eligible employees of the Company are entitled to receive the benefits of Employee State Insurance, a defined contribution plan, in which both the employees and Company make monthly contributions at a specified percentage of the covered eemployees' salary.

c. Compensated Absences:

Hitherto compensated absences were considered to be long term in nature and was valued by an independent actuary and consequent to permanent change in leave policy of the company, compensated absences became short term in nature, liability against which is arrived at by estimating the liability to be discharged based on actual unused leave balances at Balance sheet date. Quantification of the change in the policy cannot be precisely estimated and hence not disclosed.

2.11 Taxation:

Income tax comprises current and deferred tax. It is recognised in profit and loss account except to the extent it is related to business combinations or to an item recognised directly in equity or other comprehensive income.

a. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates and tax laws enacted or substantially enacted by the reporting date.

Tax on income for the year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessments/appeals. As a prudence practice, MAT credit is not recognized as assets in the books in the year of occurrence and in the year of set off of MAT credit, net current tax expenses is only disclosed.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realize the asset and settle the liability on a net basis or simultaneously."

b. Deferred Tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax liability is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognized or recognised are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously."

2.12 Research and Development

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as a part of Property, Plant and Equipment.

2.13 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.14 Provisions and Contingencies

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset only when reimbursement is virtually certain.

A disclosure for contingent liability is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

2.15 Leases

The Company has adopted Ind AS 116 “”Leases”” with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 “”Leases”” and related interpretation and guidance. On transition to Ind AS 116, Right-of—use assets as at April 1, 2019 for leases previously classified as operating leases were recognised and measured with cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as at April 1, 2019. As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company's lease asset classes primarily consist of leases for building premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹6.14 crore and a lease liability of ₹6.27 crore. The cumulative effect of applying the standard, amounting to ₹0.13 crore was debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17."

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.2%

SBI's current interest rate for term loans has been taken for computation purposes as the Company does not have an implicit interest rate

2.16 Government Grant

Capital investment subsidy not specifically related to any fixed asset is credited to a specific reserve upon receipt and retained till the requisite conditions are fulfilled. On fulfillment of such conditions, the subsidy is transferred to Capital Reserve.

2.17 Borrowing Costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them.

2.18 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature,any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

NOTES TO ACCOUNTS FOR THE YEAR ENDED

(Amount expressed in ₹ unless otherwise stated)

3 Property, Plant and Equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021:

Particulars	Computer Systems & Accessories	Servers and Networks	Furniture & Fittings	Office Equipment	Total
Gross Carrying Amount as at April 1, 2020 as per Ind AS	**54,678,958**	**920,523**	**13,734,732**	**1,262,146**	**70,596,359**
Additions	24,560,789	327,600	-	-	24,888,389
Disposals	-	(327,600)	-	-	(327,600)
Gross Carrying Amount as at March 31, 2021	**79,239,747**	**920,523**	**13,734,732**	**1,262,146**	**95,157,148**
Accumulated Depreciation as at April 1, 2020	**30,815,732**	**513,758**	**5,150,591**	**696,392**	**37,176,473**
Depreciation charge for the year	22,991,344	244,334	2,227,851	262,236	25,725,765
Disposals					-
Accumulated Depreciation as at March 31, 2021	**53,807,076**	**758,091**	**7,378,442**	**958,628**	**62,902,238**
Net Carrying Amount as at March 31, 2021	**25,432,670**	**162,432**	**6,356,290**	**303,518**	**32,254,910**

Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the year ended March 31, 2021:

Particulars	Computer Software & Licenses	Total
Gross Carrying Amount as at April 1, 2020	7,400,746	7,400,746
Additions	527,971	527,971
Disposals	-	-
Gross Carrying Amount as at March 31, 2021	**7,928,717**	**7,928,717**
Accumulated Amortization as at April 1, 2020	5,301,670	5,301,670
Amortization expense	1,729,804	1,729,804
Disposals		-
Accumulated Depreciation as at March 31, 2021	**7,031,474**	**7,031,474**
Net Carrying Amount as at March 31, 2021	**897,243**	**897,243**

4 Right of Use Asset:

Particulars	31-Mar-21	31-Mar-20
Amount as on 01-04-2020	33,189,809	61,383,475
Additions	-	-
Termination	-	-
Depreciation	25,529,137	27,899,108
Carrying Value as on 31-03-2021	**7,660,672**	**33,484,367**

The Company has adopted Ind AS 116 “Leases” with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 “Leases” and related interpretation and guidance. On transition to Ind AS 116, Right-of—use assets as at April 1, 2019 for leases previously classified as operating leases were recognised and measured with cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as at April 1, 2019. As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

5 Other Financial Assets

Particulars	31-Mar-2021	31-Mar-2020
Non - Current		
Rental and Other deposits	12,599,450	13,283,450
Total	**12,599,450**	**13,283,450**
Current		
Interest accrued on Deposits & Others	-	-
Other Receivables	-	-
Insurance Claims Receivable	-	-
Total	**-**	**-**

6 Deferred Tax Asset (Net)

Particulars	31-Mar-2021	31-Mar-2020
Deferred Tax Asset (Net)	12,685,631	7,991,072
Total	**12,685,632**	**7,991,072**

7 Trade Receivables

Particulars	31-Mar-2021	31-Mar-2020
Unsecured		
Considered good	162,788,178	53,582,543
Total	**162,788,179**	**53,582,544**

8 Cash and Cash Equivalents

Particulars	31-Mar-2021	31-Mar-2020
Balances with banks		
In Current Accounts		
Rupee accounts	26,756,965	30,863,850
Bank Deposits with more than 12 months maturity	1,557,718	500,000
Cash on hand	12,746	45,531
Total	**28,327,429**	**31,409,381**

9 Other Assets

Particulars	31-Mar-2021	31-Mar-2020
Current Assets		
Prepaid expenses	8,477,264	6,614,954
Loans and advances to employees	-	400,000
Petty Cash Advance	-	139,350
Balance with government authorities	1,666,690	1,553,361
Income Tax Refundable	205,091	17,009,771
Accrued Interest	92,864	49,567
Other Receivables	-	254,489
Total	**10,441,910**	**26,021,492**

10 Equity Share Capital

Particulars	31-Mar-2021		31-Mar-2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital	1,000,000	10,000,000	1,000,000	10,000,000
Issued, Subscribed and Paid Up Capital	1,000,000	10,000,000	1,000,000	10,000,000
Total	**1,000,000**	**10,000,000**	**1,000,000**	**10,000,000**

a. Reconciliation of Share Capital

Particulars	31-Mar-2021		31-Mar-2020	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Add: Issued during the year	-	-	-	-
Share Capital at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

b. Shares in the Company held by the Holding Company and Other Shareholders holding more than 5%

Particulars	31-Mar-2021		31-Mar-2020	
	No. of Shares	Amount	No. of Shares	Amount
Zen3 Infosolutions Inc (Holding Company)	999,999	9,999,990	999,999	9,999,990
- % of Shareholding	100.00%		100.00%	

Other Equity

Particulars	31-Mar-2021	31-Mar-2020
Reserves and Surplus		
Opening balance	105,251,040	53,447,520
Add: Net Profit/(Loss) For the current year	57,680,792	54,514,630
Other Comprehensive Income(net of tax)	3,505,343	(1,396,075)
Ind AS Transistion effect(Leases)	-	(1,315,035)
Closing Balance	**166,437,175**	**105,251,040**
Total	**166,437,175**	**105,251,040**

11 (a) Provisions

Particulars	31-Mar-2021	31-Mar-2020
Non Current		
Gratuity	23,427,579	17,887,072
Leave Encashment	10,216,487	4,874,394
Total (Non Current)	**33,644,066**	**22,761,466**
Current		
Gratuity	950,875	215,938
Leave Encashment	1,024,453	503,638
Total (Current)	**1,975,328**	**719,576**

(b) Gratuity Disclosure

Particulars	31-Mar-2021	31-Mar-2020
Opening Liability	18,103,010	10,110,948
Current Service Cost	10,518,027	6,306,926
Interest Cost	1,157,522	754,220
Actuarial (gain)/loss	(4,684,284)	1,865,612
Benefits paid	(715,821)	(934,696)
Closing Liability	**24,378,454**	**18,103,010**

Particulars	31-Mar-2021	31-Mar-2020
Current Service Cost	10,518,027	6,306,926
Interest Cost	1,157,522	754,220
Benefits paid	(715,821)	(934,696)
Expense to be recognized in profit/loss statement	**10,959,728**	**6,126,450**

Particulars	31-Mar-2021	31-Mar-2020
Due to change in financial assumptions	349,054	1,803,628
Due to change in demographic assumptions	-	(3,461)
Due to experience adjustments	(5,033,338)	65,445
Actuarial (gain)/loss to be recognized in OCI	**(4,684,284)**	**1,803,628**

Particulars	31-Mar-2021	31-Mar-2020
Discount Rate	6.35%	6.50%
Withdrawal Rates	10.00% pa	10.00% pa
Salary Growth Rate	8.00%	8.00%
Rate of Return on Plan Assets	Not Applicable	Not Applicable

The rate used to discount post-employment benefit obligation(both funded and non-funded) shall be determined by reference to market yield at the Balance Sheet Date on government bonds.

Maturity Profile of Defined Benefit as on 31st March, 2021:

Year	Cashflow(Rs.)	Distribution(%)
1	950,875	1.90%
2	1,272,314	2.50%
3	1,517,982	3.00%
4	2,046,559	4.00%
5	2,351,403	4.60%
6 to 10	11,383,147	22.20%

Sensitivity Analysis:

Particulars	31-Mar-2021	31-Mar-2020
Discount Rate		
0.5% Increase	23,245,622	17,245,394
0.5% Decrease	25,603,066	19,030,700
Salary Growth		
0.5% Increase	25,328,754	18,818,368
0.5% Decrease	23,444,956	17,392,712
Withdrawal Rate		
0.5% Increase	23,899,931	17,723,989
0.5% Decrease	24,856,331	18,479,280

Sensitivity Analysis is performed by varying single parameter while keeping all the other parameters unchanged. It fails to focus on the interrelationship between the underlying parameters. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

12 (a) Lease Liabilities:

Particulars	31-Mar-2021	31-Mar-2020
Amount as on 01-04-2020	35,942,350	62,698,510
Additions to lease Liabilities	-	-
Terminations during the year	-	-
Interest Expense	2,764,251	6,083,951
Cash Outflows during the year	29,933,112	32,840,112
Carrying value as on 31-03-2021	**8,773,490**	**35,942,350**

Particulars	31-Mar-21	31-Mar-20
Current	8,773,488	27,168,860
Non - Current	-	8,773,488
Total	**8,773,488**	**35,942,349**

(b) The following table provides the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis:

Maturity Analysis

Particulars	**Undiscounted Future Cash Outflows**
0-6 months	7,927,864
6-12 months	1,127,100
12-24 months	-
more than 24 months	-

13 Trade Payables

Particulars	**31-Mar-2021**	**31-Mar-2020**
(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
(B) Total Outstanding Dues to Creditors other than Micro Enterprises and Small Enterprises	9,708,601	5,812,430
Total	**9,708,602**	**5,812,430**

(a) The Company has not received confirmations for the current year about the status under "The Micro, Small and Medium Enterprises Development Act, 2006", from various creditors, consequent to which, the classification of dues to such enterprises can not be compiled as at the Balance Sheet date.

14 Other Financial Liabilities

Particulars	**31-Mar-2021**	**31-Mar-2020**
Current		
Interest accrued but not due	-	-
Statutory Dues Payable	18,939,947	14,879,162
Salary Payable	1,931,621	1,828,103
Other Liabilities	-	4,097,144
Total (Current)	**20,871,568**	**20,804,410**

15 Current Tax Liabilities (Net)

Particulars	**31-Mar-2021**	**31-Mar-2020**
Income Tax Expense	30,693,070	-
Less: Tax Deducted at Source	(14,447,873)	
Income Tax Provision	16,245,197	-
Total	**16,245,197**	**-**

16 Revenue from operations

Particulars	**31-Mar-2021**	**31-Mar-2020**
Sale of Products (including excise duty)	1,060,819,336	907,829,098
Other Operating Revenue	-	-
Less: Sales Tax	-	-
Total Revenue from operations	**1,060,819,336**	**907,829,098**

17 Other Income

Particulars	**31-Mar-2021**	**31-Mar-2020**
Interest Income on FD	47,199	43,297
Trade Payables no longer Payable	148,720	-
Profit on sale of mutual funds	-	1,117
Total Other Income	**195,919**	**44,414**

* Mandatorily measured at fair value through profit or loss

Other Gains/(Losses)

Particulars	31-Mar-2021	31-Mar-2020
Net foreign exchange gain/(loss)	373,723	120,778
Total Other Gains/(Losses)	**373,723**	**120,778**

18 Employee Benefit Expenses

Particulars	31-Mar-2021	31-Mar-2020
Salaries, Wages and Bonus	751,923,736	626,611,998
Contribution to Provident Fund	24,704,564	23,691,536
Gratuity and Leave Encashment	19,009,842	12,066,464
Insurance	887,968	30,294
Staff welfare expenses	19,427,439	19,669,566
Total	**815,953,548**	**682,069,858.06**

19 Finance Cost

Particulars	31-Mar-2021	31-Mar-2020
For Leases	2,764,251	6,083,951
Total Finance Cost	**2,764,251**	**6,083,950.86**

20 Depreciation and Amortisation Expense

Particulars	31-Mar-2021	31-Mar-2020
Computer Systems & Accessories	22,991,344	20,005,343
Servers and Networks	244,334	95,574
Furniture & Fittings	2,227,851	3,004,277
Office Equipment	262,236	341,788
Computer Software & Licenses	1,729,804	1,533,099
Leases	25,529,137	27,899,108
Total Finance Cost	**52,984,706**	**52,879,189.56**

21 Other Expenses

Particulars	31-Mar-2021	31-Mar-2020
Administrative Expenses	2,511,926	640,074
Discount Allowed	2,962,139	3,233,031
Repairs and Maintenance	-	-
Building	5,931,260	7,112,794
Vehicles	39,629	77,562
Computers	1,615,000	2,789,547
Office Maintenance	357,849	4,393,361
Power and Fuel(Electricity)	4,333,212	7,396,138
Rent	3,205,012	5,482,506
Recruitment Expenses	5,138,642	4,360,846
Rates and Taxes (excluding Taxes on Income)	735,070	954,883
Internet & Telephone Charges	6,812,868	6,995,180
Memberships	2,166,424	296,038
Travel and Accomodation	439,009	9,998,111
Security Charges	2,136,313	2,217,068
Cloud Storage Expenses	13,884,395	2,008,717
Consultancy Charges	38,129,272	31,144,294
Professional Charges	7,628,945	7,038,377

Particulars	31-Mar-2021	31-Mar-2020
Insurance	353,175	606,484
Auditors' Remuneration	-	-
Audit Fee	200,000	200,000
Donations	807,729	122,851
Miscellaneous Expenses	594,558	321,119
Interst on Income Tax	251,217	-
Bank Charges	61,374	30,027
Total of Other Expenses	**100,295,019**	**97,419,008**

22 Earnings Per Share

Particulars	31-Mar-2021	31-Mar-2020
Net profit/(loss) for the year attributable to equity share holders	57,680,792	54,514,630
Weighted average number of Equity Shares	1,000,000	1,000,000
Par value per Share	10	10
Earnings per share from continuing operations	57.68	55

23 Related party disclosure

I. Name of Related Party and description of relationship.

Nature of Relationship	Name
Holding Company	Zen3 Infosolutions Inc.
Key Managerial Personnel	Manoj Kanumuri
	Surya Rao Kalla
	Madhu Ponduru
	Divya Kalla
	Arundhati Kalla
Director	Nagesh Chekuri
	Purushotham Devabhaktini
Sister Company	Oslo Solutions LLC

II. Transactions Carried out with Related Parties in Ordinary Course of Business

a) Holding - Zen3 Infosolutions Inc

Particulars	31-Mar-2021	31-Mar-2020
Services Rendered	611,875,784	550,430,225

b) Sister Company - Oslo Solutions LLC

Particulars	31-Mar-2021	31-Mar-2020
Sale of Services	-	45,121,949

c) Key Managerial Personnel - Manoj Kanumuri

Particulars	31-Mar-2021	31-Mar-2020
Rent Expense	4,494,042	4,408,992
Rental Advance	2,041,200	2,041,200
Travelling and Accomodation Expenses	-	-

d) Key Managerial Personnel - Surya Rao Kalla

Particulars	31-Mar-2021	31-Mar-2020
Rent Expense	6,008,762	5,872,813
Rental Advance	2,295,000	2,295,000

e) Key Managerial Personnel - Madhu Ponduru

Particulars	31-Mar-2021	31-Mar-2020
Rent Expense	5,035,240	4,921,320

f) Key Managerial Personnel - Divya Kalla

Particulars	31-Mar-2021	31-Mar-2020
Rent Expense	1,054,170	1,030,320
Rental Advance	572,400	572,400

g) Key Managerial Personnel - Arundhati Kalla

Particulars	31-Mar-2021	31-Mar-2020
Rent Expense	1,054,170	1,030,320
Rental Advance	572,400	572,400

III. Balances outstanding

Particulars	31-Mar-2021	31-Mar-2020
Trade Payables :		
Divya Kalla	-	85,860
Arundhati Kalla	-	85,860
Madhu Ponduru	-	410,110
Surya Rao Kalla	-	489,401
Manoj Kanumuri	-	(367,416)
Zen3 Infosolutions Inc	-	-
Oslo Solutions LLC	-	-
Trade Receivable		
Zen3 Infosolutions Inc	-	-
Oslo Solutions LLC	-	-
Long term Loans and Advances :		
Divya Kalla	572,400	572,400
Arundhati Kalla	572,400	572,400
Surya Rao Kalla	2,295,000	2,295,000
Manoj Kanumuri	2,041,200	2,041,200

24 Segment Reporting

The Chief Operating Decision Maker ('CODM') evaluates the Company's performance and allocates resources based on analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment has been identified to be ""Software Services"" as the CODM reviews business performance at an overall Company level as one segment.

25 Earnings in Foreign Currency

Particulars	31-Mar-2021	31-Mar-2020
Revenue		
Business Support services rendered	658,847,668	630,681,437

26. Contingent Liabilities

Particulars	31-Mar-2021	31-Mar-2020
Bank Gurantee	500,000	500,000

As per our report of even date
for K Vijayaraghavan & Associates LLP
Chartered Accountants
Firm Registration No.: 004718S

For and on behalf of the Board of Directors of
Zen3 InfoSolutions Private Limited

K. Ragunathan
Partner
Membership No: 213723
Place: Hyderabad
Date: June 28, 2021

Vivek Satish Agarwal
Director
DIN: 05218475
Place: Hyderabad
Date: June 28, 2021

Narasimham Venkata Rachakonda
Director
DIN: 00339167
Place: Hyderabad
Date: June 28, 2021

TECH MAHINDRA ARABIA LIMITED

Board of Directors
Mr. Ramachandran Satyamurthi Ramachandran
Mr. Srinivas Reddy Bandam
Mr. Mohammed Ahmed Mohammed Al Baadi
Mr. Saad Abdullah Nasser Turaiki
Mr. Manoj Bhat (Resigned, effective March 31, 2021)
Mr. Adil Murtuza (Appointed, effective March 31, 2021)

Registered Office
12th Floor, Al - Hugyat Towers,
Al Khobar 31952, Kingdom of Saudi Arabia

Bankers
The Saudi British Bank

Auditors
KPMG Professional Services

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tech Mahindra Arabia Limited

Opinion

We have audited the financial statements of Tech Mahindra Arabia Limited ("the Company"), which comprise the statement of financial position as at 31 March 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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 users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then

we are required to draw attention in our auditor's 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.

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 of Tech Mahindra Arabia Limited.

For KPMG Professional Services

Abdulaziz Abdullah Alnaim
License No: 394

Al Khobar, 2 Dhul Hijjah 1442H
Corresponding to: 12 July 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

(Expressed in Saudi Arabian Riyals)

	Note	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	4	7,187,497	9,060,948
Trade receivables and unbilled revenue	5	18,304,057	18,835,677
Prepayments and other current assets	7	985,759	573,768
Total current assets		**26,477,313**	**28,470,393**
Non-current assets			
Property and equipment	8	250,705	468,990
Total non-current assets		**250,705**	**468,990**
TOTAL ASSETS		**26,728,018**	**28,939,383**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		1,095,378	229,373
Due to related parties	6	23,186,823	26,496,782
Accrued expenses and other current liabilities	10	1,499,664	4,522,287
Provision for Zakat and income tax	9	442,665	395,632
Total current liabilities		**26,224,530**	**31,644,074**
Non-current liabilities			
Employees' benefits	11	722,789	432,255
Total non-current liabilities		**722,789**	**432,255**
Total liabilities		**26,947,319**	**32,076,329**
Equity			
Share capital	12	1,000,000	1,000,000
Statutory reserve		477,129	185,365
Accumulated losses		(1,696,430)	(4,322,311)
Total equity		**(219,301)**	**(3,136,946)**
TOTAL LIABILITIES AND EQUITY		**26,728,018**	**28,939,383**

These financial statements appearing on pages from 1370 to 1383 were approved by the Board of Directors of the Company and signed on its behalf by:

Ram Ramachandran
Director

Mohmaad AlBaadi
Director

The accompanying notes (1) through (19) form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

(Expressed in Saudi Arabian Riyals)

	Note	2021	2020
Revenue		52,462,914	29,014,064
Cost of revenue		(41,160,141)	(20,157,929)
Gross profit		**11,302,773**	**8,856,135**
General and administrative expenses	13	(4,513,780)	(3,620,295)
Selling expenses	14	(3,237,125)	(2,809,125)
Other expense		(37,421)	(62,312)
Profit from operations		**3,514,447**	**2,364,403**
Finance cost		-	(36,679)
Profit before Zakat and income tax		**3,514,447**	**2,327,724**
Zakat and income tax expense	9	(456,341)	(391,533)
Profit after Zakat and income tax		**3,058,106**	**1,936,191**
Other comprehensive income / (loss)			
Re-measurement loss on defined benefit plan	11	(140,461)	(82,550)
Other comprehensive loss for the year		**(140,461)**	**(82,550)**
Total comprehensive income for the year		**2,917,645**	**1,853,641**

The accompanying notes (1) through (19) form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(Expressed in Saudi Arabian Riyals)

	Tech Mahindra Limited	Midad Holding Company	Total
Share capital			
As at 31 March 2021, 2020	510,000	490,000	1,000,000
Accumulated losses			
Balance as of 31 March 2019	(2,882,703)	(3,107,884)	(5,990,587)
Profit for the year 2020	1,187,139	1,140,585	2,327,724
Zakat and income tax expense (refer note 9)	(338,394)	(53,139)	(391,533)
Other comprehensive loss	(42,100)	(40,450)	(82,550)
Total comprehensive income for the year	**806,645**	**1,046,996**	**1,853,641**
Transfer to statutory reserve	(80,665)	(104,700)	(185,365)
Balance as of 31 March 2020	**(2,156,723)**	**(2,165,588)**	**(4,322,311)**
Profit for the year 2021	1,792,368	1,722,079	3,514,447
Zakat and income tax expense (refer note 9)	(393,752)	(62,589)	(456,341)
Other comprehensive loss	(71,635)	(68,826)	(140,461)
Total Comprehensive income for the year	**1,326,981**	**1,590,664**	**2,917,645**
Transfer to statutory reserve	(132,698)	(159,066)	(291,764)
Balance as of 31 March 2021	**(962,440)**	**(733,990)**	**(1,696,430)**
Statutory reserve			
Balance as at 1 April 2019	-	-	-
Transfers during the year 2020	80,665	104,700	185,365
Balance as of 31 March 2020	**80,665**	**104,700**	**185,365**
Transfer during the year	132,698	159,066	291,764
Balance as of 31 March 2021	**213,363**	**263,766**	**477,129**
As of 31 March 2021	**(239,077)**	**19,776**	**(219,301)**
As of 31 March 2020	**(1,566,058)**	**(1,570,888)**	**(3,136,946)**

The accompanying notes (1) through (19) form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

(Expressed in Saudi Arabian Riyals)

	Note	2021	2020
Cash flows from operating activities:			
Profit before Zakat and income tax		3,514,447	2,327,724
Adjustments for:			
Provision for doubtful debts	5	1,688,016	1,962,797
Depreciation	8	235,205	289,538
Finance charges		-	36,679
Employees' benefits	11	150,073	103,339
		5,587,741	**4,720,077**
Changes in operating assets and liabilities:			
Trade receivables and unbilled revenue		(1,156,396)	(8,357,297)
Due from a shareholder		-	48,129
Prepayments and other current assets		(411,991)	(31,345)
Trade payables		866,005	(72,870)
Accrued expenses and other current liabilities		(3,022,624)	3,156,490
Due to related parties		(3,309,959)	10,192,583
Cash (used in) / generated from operations		**(1,447,223)**	**9,655,767**
Employees' benefits paid	11	-	(60,075)
Finance charges paid		-	(36,679)
Zakat and income tax paid		(409,308)	-
Net cash (used in) / (generated from) operating activities		**(1,856,531)**	**9,559,013**
Cash flows from investing activities:			
Additions to property and equipment	8	(16,920)	(131,516)
Cash used in investing activities		**(16,920)**	**(131,516)**
Cash flows from financing activities:			
Repayment of loan to a related party	6	-	(5,476,469)
Net cash used in financing activities		**-**	**(5,476,469)**
Net movement in cash and cash equivalents		**(1,873,451)**	**3,951,028**
Cash and cash equivalents at beginning of the year		9,060,948	5,109,920
Cash and cash equivalents at end of the year	4	**7,187,497**	**9,060,948**

The accompanying notes (1) through (19) form an integral part of these financial statements.

NOTES TO THE FIANANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(Expressed in Saudi Arabian Riyals)

1 CORPORATE INFORMATION

Tech Mahindra Arabia Limited (the "Company") is a limited liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2051061101 dated 16 Dhul-al-Qa'dah 1436H (corresponding to 31 August 2015G). The Company's principal activity is to provide services of application development and management, network services, business process outsourcing, information technology-enabled services, system integration, IT networking, IT security and supply of products (hardware, software and structured cabling).

The Company's registered office is in Al Khobar, Kingdom of Saudi Arabia.

2 BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities ("IFRS for SMEs") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

b) Basis of measurement

The accompanying financial statements have been prepared under the historical cost convention on the accrual basis of accounting except otherwise stated in notes to the financial statements.

c) Going concern

At 31 March 2021 the accumulated losses of the company exceeded 50% of the Company's share capital due to which the applicable requirements of the Regulations for the Companies became applicable. The Company submitted a request to the Ministry of the Commerce to publish an announcement about that on the Ministry's website, including the amount of losses, their percentage of the capital and the main reasons that led to such losses. The shareholders of the Company have passed a resolution dated 9 June 2021 to continue the business and provide the necessary financial support to the Company to enable it to meet its financial obligation as and when they fall due. The Company has completed all the actions required under the applicable requirements of the Regulations for Companies within the stipulated deadline.

d) Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals (SAR), which is the functional and reporting currency of the Company.

e) Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS for SMEs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arms' length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and marketing terms forecast for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

ii. Useful lives and residual values of property and equipment

The management determines the estimated useful lives and residual values of property and equipment for calculating depreciation. These estimates are determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual values and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods.

iii. Provision for impairment of trade receivables

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators of objective evidence that the trade receivable is impaired. For significant individual amounts, assessment is made on an individual basis. Amounts which are not individually significant, but are overdue, are assessed collectively and a provision is recognized considering the length of time and past recovery rates.

iv. Zakat and income tax

The Company is subject to income tax to the extent of foreign shareholding and Zakat to the extent of the GCC shareholders in accordance with the Zakat, Tax and Customs Authority (“ZTCA”) (formerly General Authority of Zakat and Tax (GAZT)) regulations. Income taxes and Zakat are provided on an accrual basis. Income tax and Zakat computation involves relevant knowledge and judgment of the Zakat and income tax rules and regulations to assess the impact of income tax and Zakat liability at a particular period end. This liability is considered an estimate until the final assessment by ZTCA is carried out until which the Company retains exposure to additional Zakat and income tax liability.

v. Provision and contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

vi. Employees’ benefits

The cost of defined benefit and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal before normal retirement age, mortality rates etc. Due to the complexity of the valuation, the underlying assumptions 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, yield and duration of Saudi government bonds obligation with at least an ‘A’ rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation, is considered. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

Age-wise “moderate” withdrawal rates are used in carrying out the valuation. These age-wise withdrawal rates are generally used in the MENA region to carry out the actuarial valuation of end of service benefit (EOSB) schemes.

The rates assumed are based on the WHO SA16 – 75% ultimate mortality tables, rated down one year. In the absence of any standard mortality tables in the region, these rates are generally used in Kingdom of Saudi Arabia in carrying out the actuarial valuation of EOSB schemes. If any other mortality table is used it will not make any significant difference in the results.

vii. Revenue

As part of application of percentage of completion method on long term contracts, the cost to complete the project is estimated. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of contracts. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements except otherwise stated:

a) Cash and cash equivalents

Cash and cash equivalents comprise of cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are available to the Company without any restrictions.

b) Trade receivables

Trade receivables are carried at original invoice amount less provision for doubtful debts. A provision against doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Such provisions are charged to the statement of comprehensive income and reported under "General and administrative expenses". When a trade receivable is uncollectible, it is written-off against the provision for doubtful debts. Any subsequent recoveries of amounts previously written-off are credited to the statement of comprehensive income.

c) Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the asset. All other expenditure is recognized as an expense in the statement of comprehensive income when incurred.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of assets are as follows:

Asset category	Number of years
Furniture & fixtures	5
Office equipment	5
Machinery and equipment	5
Computer equipment	3

Gain and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment at the time of disposal and is recognized in the statement of comprehensive income.

d) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount, when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or all present obligations arising from past events but not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability; assessed at each financial position date and disclosed in the financial statements under contingent liabilities.

e) Trade payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Company.

f) Employees' benefits

Employees' benefits required by Saudi Labor and Workman Law are accrued by the Company and charged to the statement of comprehensive income. The liability is calculated as a defined benefit obligation at the current value of the vested benefits to which the employee is entitled, should the employee leave at the reporting date. Benefit payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

(i) The liability or asset recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit cost method.

The present value of the defined benefit obligation is determined by discounting the estimated future outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefit will be paid and that have terms approximating the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employees' benefit expense in the statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in statement of comprehensive income. They are included in retained earnings / accumulated losses in the statement of comprehensive income and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of comprehensive income as past service costs.

g) Zakat and income taxes

In accordance with the regulations of the Zakat, Tax and Customs Authority ("ZTCA") (formerly General Authority of Zakat and Tax (GAZT), the Company is subject to income tax and Zakat. Provision for income tax and Zakat is charged to the statement of comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Deferred income tax is recognized on all major temporary differences between accounting income and taxable income during the year in which such differences arise, and are adjusted when related temporary differences are reversed. Deferred income tax assets on carry-forward losses are recognized to the extent that it is probable that future taxable income will be available against which such carry-forward tax losses can be adjusted. Deferred income tax is determined using tax rate which has been enacted by the statement of financial position date and is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The Company withholds taxes on certain transactions with non-resident parties, including dividend payments to the shareholders, in the Kingdom of Saudi Arabia as required under the Saudi Arabian Income Tax Law.

h) Revenue recognition

Revenue is recognized to the extent of the following recognition requirements:

- it is probable that the economic benefits will flow to the Company,
- it can be reliably measured, regardless of when the payment is being made; and
- the cost incurred to date and expected future costs are identifiable and can be measured reliably.

Revenue is measured at the fair value of the consideration received or the contractually defined terms of payment. The specific recognition criteria described below must also be met before the revenue is recognized.

Revenue on long term contracts, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. When the current estimate of total contract costs and revenues indicate a loss, provision is made for the entire loss on the contract irrespective of the amount of work done. Progress payments and advances received from customers in respect of contracts are deducted from the amount of contract work in progress and excess payments on contracts are shown as a liability.

Revenue recognized in excess of billings represents the value of work performed but not yet billed as at year-end. Billings in excess of revenue earned included in current liabilities represent the excess of amounts billed over the value of work performed at the year-end.

i) Foreign currency translation

Transactions denominated in foreign currencies are translated to Saudi Arabian Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Saudi Arabian Riyals at the exchange rate ruling at that date. Exchange differences arising on translation are recognized in the statement of comprehensive income.

j) Expenses

Selling, general and administrative expenses include direct and indirect costs not specifically part of costs of revenue. Allocations between selling, general and administrative expenses and costs of revenue, when required, are made on a consistent basis.

k) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the Company as lessee. Other leases are classified as operating leases. Payments made under operating leases are recognized in the statement of comprehensive income over the terms of the lease.

l) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Management determines the classification of the financial asset at the time of initial recognition.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. For purposes of subsequent measurement financial assets are classified in four categories, financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables comprise of loans, advances, deposits, prepayments, other receivables and cash and cash equivalents. After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment. Restructured/ rescheduled receivables are recorded at revised terms and conditions as approved by the management. Restructuring policies and practices are based on indicators or criteria which, indicate that payment will most likely continue.

Financial liabilities

Measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The measurement of financial liabilities depends on their classification as financial liabilities at fair value through profit or loss or “other financial liabilities”. The Company has not designated any financial liability as fair value through profit or loss.

The Company’s financial liabilities include trade payable and other liabilities.

Derecognition

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition of a financial asset or financial liability, the difference between the carrying amount and the consideration received (and receivable) or paid (and payable) is recognised in the statement of comprehensive income.

4. CASH AND CASH EQUIVALENTS

	2021	2020
Bank balances	2,187,497	4,060,948
Short term deposit	5,000,000	5,000,000
	7,187,497	**9,060,948**

The short-term deposit carries an average interest rate of 0.29% (2020: 1.08%) per annum.

5. TRADE RECEIVABLES AND UNBILLED REVENUE

	2021	2020
Trade receivables	15,565,041	14,992,802
Unbilled revenue	6,389,829	5,805,672
Less: provision for doubtful debts	(3,650,813)	(1,962,797)
	18,304,057	**18,835,677**

Movement in provision for doubtful debts is as follows:

	2021	2020
Opening balance	1,962,797	-
Add: provision made during the year	2,098,471	1,962,797
Less : written off	(410,455)	-
Closing balance	**3,650,813**	**1,962,797**

6. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of Company comprise the shareholders, their affiliated companies, Board of Directors and key management personnel. The Company enters into transactions with the related parties in the normal course of its business. These transactions normally include providing and receipt of services, expenses incurred by / on behalf of related parties and are entered into mutually agreed terms as approved by the Company's management, with the following entities.

Related party	**Relationship**
Midad Holding Company, Kingdom of Saudi Arabia	Shareholder
Tech Mahindra Limited, India	Shareholder
Tech Mahindra GMBH, Germany	Other related party
Healthcare Clinical Informatics Limited	Other related party

The following are details of significant related party transactions during the year:

Related party	**Nature**	**2021**	**2020**
Tech Mahindra Limited	Subcontract cost	12,432,151	10,722,953
	Expense paid by Company on behalf of shareholder	-	17,397
	Expenses reimbursed by shareholder	8,215,738	65,526
Tech Mahindra GMBH	Loan repaid	-	5,476,469
	Finance cost	-	36,678
Healthcare Clinical Infomatics Limited	Payments made	233,237	602,585
Tech Mahindra Limited	Payments made	23,862,108	-
Mided Holding Company	Payments made	818,957	-

The following is a summary of balances due to related parties:

Due from a shareholder	**2021**	**2020**
Tech Mahindra Limited	23,186,823	25,444,588
Midad Holding Company	-	818,957
Healthcare Clinical Informatics Limited	-	233,237
	23,186,823	**26,496,782**

Key management personnel compensation:

There is a compensation at group level to directors and other members of key management (including salaries and benefits) in the year 2021 and 2020.

Transfer pricing

On 31 January 2019, the Zakat, Tax and Customs Authority ("ZTCA") (formerly General Authority of Zakat and Tax (GAZT) issued Transfer Pricing Bylaws (By-laws). These By-laws were enacted on 15 February 2019 as part of the tax law and became binding on tax payers for periods ending on or after 31 December 2018. This requires additional disclosure forms along with annual tax returns to be submitted to ZTCA, summarizing the related party transactions, counter parties including country, amount and Transfer Pricing method. Management has submitted disclosure form to ZTCA for the year ended 31 March 2020 in compliance with By-Laws. During the year, management does not expect any adjustment on account of Transfer Pricing.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

	2021	2020
Prepayments	450,333	523,288
Advances to employees	53,132	15,605
Security deposits	184,480	-
VAT Asset	287,939	-
Others	9,875	34,875
	985,759	**573,768**

8. PROPERTY AND EQUIPMENT

	Furniture & fixtures	Machinery and equipment	Office equipment	Computer equipment	Total
Cost					
At 1 April 2019	420,602	252,655	28,050	252,406	953,713
Additions	57,850	-	1,150	72,516	131,516
At 31 March 2020	**478,452**	**252,655**	**29,200**	**324,922**	**1,085,229**
Additions	-	-	4,820	12,100	16,920
At 31 March 2021	**478,452**	**252,655**	**34,020**	**337,022**	**1,102,149**
Accumulated depreciation					
At 1 April 2019	105,482	67,825	3,384	150,010	326,701
Charge for the year	121,090	66,651	6,280	95,517	289,538
At 31 March 2020	**226,572**	**134,476**	**9,664**	**245,527**	**616,239**
Charge for the year	121,089	66,651	6,841	40,624	235,205
At 31 March 2021	**347,661**	**201,127**	**16,505**	**286,151**	**851,444**
Carrying amount as at:					
31 March 2021	**130,791**	**51,528**	**17,515**	**50,871**	**250,705**
31 March 2020	**251,880**	**118,179**	**19,536**	**79,395**	**468,990**

9. ZAKAT AND INCOME TAX

a) Zakat and income tax expenses for the year

	2021	2020
Income tax	393,752	338,394
Zakat	62,589	53,139
	456,341	**391,533**

b) The principal elements of the Zakat base of the Company are as follows:

	2021	2020
Non-current assets	**250,705**	468,990
Non-current liabilities	**722,789**	432,255
Opening shareholders' equity	**(3,136,946)**	(4,990,587)
Profit before Zakat	**3,514,447**	2,327,724

Some of these amounts have been adjusted in arriving Zakat charge for the year.

Income tax charge for the year ended 31 March 2021 and 2020 is based on the adjusted taxable income calculated on the portion of equity owned by a foreign shareholder.

c) Provision for Zakat and income tax

	2021			2020
	Zakat	Income tax	Total	Total
Balance at the beginning of the year	57,238	338,394	395,632	4,099
Charge for the year	62,589	393,752	456,341	391,533
Payment made during the year	(70,969)	(338,339)	(409,308)	-
Balance at the end of the year	**48,858**	**393,807**	**442,665**	**395,632**

The Company submitted its Zakat and income tax returns up to the year ended 31 March 2020 within the statutory deadlines and received the Zakat and income tax certificates. The Company has not received any assessments from Zakat, Tax and Customs Authority ("ZTCA") (formerly General Authority of Zakat and Tax (GAZT)) since its inception.

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2021	2020
Accrued expenses	1,321,221	3,785,153
Value added tax payable	-	480,069
Staff related accruals	77,689	50,613
Others	100,754	206,452
	1,499,664	**4,522,287**

11. EMPLOYEES' BENEFITS

The Company operates an approved unfunded employees' end of service benefits scheme / plan for its permanent employees. The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

	2021	2020
Opening balance	432,255	306,441
Included in statement of comprehensive income		
Current service cost	129,757	87,860
Interest cost	20,316	15,479
	150,073	**103,339**
Actuarial loss on obligation	140,461	82,550
Benefits paid during the year	-	(60,075)
Closing balance	**722,789**	**432,255**

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	2021	2020
Discount rate	**1.3%**	4.70%
Salary increase rate	**3.00%**	3.00%

Sensitivity analysis

A sensitivity analysis for the discount rate and future salary change assumption on the EOSB obligation as at 31 March 2021 is shown in the table below:

	Impact on defined benefit obligation – Increase / (decrease)		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.5%	(10,268)	10,268
Salary growth	0.5%	10,489	(10,489)

Expected maturity analysis of undiscounted defined benefit obligation is as follows:

	Less than a year	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**
Defined benefit obligation 31 March 2020	229,655	85,188	314,397	393,409
Defined benefit obligation 31 March 2021	**323,394**	**117,663**	**482,499**	**637,819**

12. SHARE CAPITAL

As of 31 March 2021 and 2020 , the share capital of the Company is divided into 1,000 shares of SR 1000 each and held as follows:

Name	**Country**	**No. of shares**	**Value**	**% of Holdings**
Tech Mahindra Limited	India	510	510,000	51%
Midad Holding Company	Kingdom of Saudi Arabia	490	490,000	49%
		1,000	**1,000,000**	**100%**

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	**2020**
Provision for doubtful debts (refer note 5)	1,688,016	1,962,797
Rent	586,500	645,275
Depreciation (refer note 8)	235,205	289,538
Insurance	340,159	240,234
Legal and professional expenses	272,946	184,832
Office expenses	530,272	133,542
Travelling	115,900	113,919
Bad Debts written off	410,455	-
Others	334,327	50,158
	4,513,780	**3,620,295**

14. SELLING EXPENSES

	2021	**2020**
Employees' related cost	3,232,583	2,809,125
Others	4,542	-
	3,237,125	**2,809,125**

15. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Company as lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

The operating lease payments represent rentals for office premises. Lease rentals are fixed and negotiated for an average term of one year.

	2021	2020
Payments under operating leases recognised as expense during the year	586,500	645,275
	586,500	**645,275**

Contingent liabilities

The Company has no significant contingent liabilities as at 31 March 2021 (2020: Nil).

16. FINANCIAL INSTRUMENTS

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade receivable and certain other current assets, trade payables, due to and due from related parties and certain other liabilities.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As these financial statements are prepared under the historical cost convention, differences may arise between the book values and the fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

Credit risk is the risk that one party will fail to discharge an obligation and may cause the other party to incur a financial loss. Cash and cash equivalents are placed with national banks with sound reputation. Trade and other receivables are mainly due from local customers and related parties, which were stated at their estimated realizable values. The Company establishes a provision for doubtful receivables that reports its estimate of incurred losses in respect of trade and other receivables.

Currency risk is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals and United States Dollars. As US Dollar is pegged to Saudi Riyal, management believes that the impact of currency risk due to United States Dollar on the Company is not significant. The Company monitors the fluctuations in exchange rates and manages its foreign currency risk by monitoring the currency rate fluctuations on regular basis.

Interest rate risk is the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company is not exposed to interest rate risk.

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to realize the values of financial assets at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet the Company's future commitments.

17. SUBSEQUENT EVENTS

No adjusting event occurred after reporting date till the date of authorization of financial statements by Board of Directors which may have impact on the financial statements.

18. IMPACT OF COVID-19

The novel Coronavirus (COVID19) which was declared a pandemic by the World Health Organisation (WHO) in March 2020, continues to evolve. It is currently difficult to predict the full extent and duration of the impact of this pandemic on the business and the economies in which the Company operates. The extent and duration of the impact of the pandemic remains uncertain and depends on future developments (such as the transmission rate of the virus), which cannot be accurately predicted at this point in time.

The Company has taken containment steps that, as at 31st March 2021, have limited the adverse impact of the virus on the financial results of the Company. The Company do not expect future, significant and adverse impact on the going concern, the Company will continue to reassess its position and the related impact on regular basis.

19. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by Board of Directors on 2 Dhul Hijjah 1442H corresponding to 12 July 2021G.

TECH MAHINDRA FINTECH HOLDINGS LIMITED

Board of Directors
Mr. Vivek Satish Agarwal
Mr. Patrick Michael Byrne
Mr. Vikram Narayanan Nair

Registered Office
401, Grafton Gate,
Milton Keynes,
MK9 1AQ

Bankers
HSBC Bank Plc

Auditor
KNAV Limited
Rear Ground Floor, Hygeia Building
66-68 College Road
Harrow, HA1 1BE
United Kingdom

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors have pleasure in presenting their Report and the financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company is to hold an investment in the holding companies which control the Target Group of companies.

Results and Dividend

The results of the operations for the year under review are set out in the Profit and Loss Account in the ensuing pages.

The directors do not recommend the payment of any dividend. (2020: £Nil)

Directors

The directors who held office during the year were as follows:

Mr. Vivek Satish Agarwal

Mr. Patrick Michael Byrne

Mr. Vikram Narayanan Nair

Political contributions

There were no political contributions made during the current or prior year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information .

Auditor

As per section 485 of the Companies Act 2006 KNAV Limited was appointed as the auditor of the Company. In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KNAV Limited will continue in office.

By order of the board

Vikram Narayanan Nair Director	**Vivek Satish Agarwal** Director

Date: June 30, 2021

401, Grafton Gate,
Milton Keynes MK9 1AQ
Registration Number: 10203355

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their strategic report for the year ended 31 March 2021.

Principal activities

The principal activity of the company is to hold an investment in the holding companies which control the Target Group of companies.

Business performance

During the year under review a restructuring of group entities was undertaken and included the following

transactions:

- Receipt of dividend of £ 123,649,755 from Target TG Investments Limited.
- The application was made to the Companies house for struck off of Target TG Investments Limited, on 31st March 2021
- Following the receipt of a dividend, the brought forward investment carrying value of £120,010,000 was written down.

During the year the company paid interest on borrowing amounted to £3,477,938 (2020: £219,863) this mainly includes interest paid to Target TG Investments Limited £3,442,478 (2020:£ 197,276).

The Net loss for the year amounted to £64,737 (2020:£ 22,350,000).

Risks & uncertainties

As a holding company the directors haven't identified any specific risks or uncertainties, other than the ability to meet liabilities as they fall due which is covered by the financial support offered by the parent company.

Position of the company at the year end

At the end of the year the company has a cash balance of which is deemed to be sufficient to meet current liabilities as they fall due. Any shortfall would be covered by the financial support offered by the parent company as mentioned in the risks above.

COVID 2019

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

By order of the board

Vikram Narayanan Nair
Director

Vivek Satish Agarwal
Director

Date: June 30, 2021

401, Grafton Gate,
Milton Keynes MK9 1AQ
Registration Number: 10203355

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures
- disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA FINTECH HOLDINGS LIMITED

Opinion

We have audited the financial statements of Tech Mahindra Fintech Holdings Ltd (the 'company') for the year ended 31 March 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 1387, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Financial Reporting Standard 102, the Companies Act 2006, and tax legislation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by identifying significant classes of transactions and significant accounts and considering how these classes of transactions and accounts may be subject to management override and fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of transactions in the financial statements and carrying out analytical procedures to identify any unusual or unexpected relationships. We also tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanjit Singh FCA
Senior Statutory Auditor
For and on behalf of KNAV, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: June 30, 2021

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

Particulars	Note	Year ended 31-Mar-2021 £'000	Year ended 31-Mar-2020 £'000
Administrative Expenses		(227)	(247)
Operating Profit /(Loss)		**(227)**	**(247)**
Income from shares in group undertakings	7	3,640	14,797
Amounts written off investments	7	-	(36,680)
Interest payable and similar expense	5	(3,478)	(220)
Profit /(Loss) before Tax		**(65)**	**(22,350)**
Tax on Loss		-	-
Profit /(Loss) after tax for the period		**(65)**	**(22,350)**

The notes on pages 1394 to 1400 form part of these financial statements.

There was no other comprehensive income for the period, other than the loss for the period.

TECH MAHINDRA FINTECH HOLDINGS LIMITED

BALANCE SHEET

	Note	As at 31-Mar-2021 £000	As at 31-Mar-2020 £000
INVESTMENTS	**7**	83,200	203,210
CURRENT ASSETS			
Debtors	**8**	229	310
Cash at bank and in hand		458	15
		687	**325**
CREDITORS: amounts falling due within one year	**9**	**(12)**	**(124,596)**
NET CURRENT LIABILITIES		675	(124,270)
TOTAL ASSETS LESS NET CURRENT LIABILITIRS		**83,875**	**78,940**
CREDITORS: amounts falling due after one year		-	-
NET ASSETS		**83,875**	**78,940**
CAPITAL AND RESERVES			
Called up share capital	**11**	60	10
Share premium Account		107,582	102,632
Profit and Loss Account		(23,767)	(23,702)
SHAREHOLDERS FUNDS		**83,875**	**78,940**

These financial statements were approved by the board of directors on June 30, 2021 and were signed on its behalf by:

Vikram Narayanan Nair
Director

Vivek Satish Agarwal
Director

401, Grafton Gate,
Milton Keynes MK9 1AQ
Registration Number: 10203355

STATEMENT OF CHANGES IN EQUITY

Particulars	**Called Up Share Capital £000**	**Share Premium Account £000**	**Profit and Loss Account £000**	**Total Equity £000**
Balance as at 1st April 2019	10	102,632	(1,352)	101,290
Total Comprehensive Income for the period				
Loss for the period	-	-	(22,350)	(22,350)
Total Comprehensive loss for the period	**-**	**-**	**(22,350)**	**(22,350)**
Balance as at 31st March 2020	**10**	**102,632**	**(23,702)**	**78,940**
Balance as at 1st April 2020	10	102,632	(23,702)	78,940
Addition during the year	50	4,950	-	5000
Total Comprehensive Income for the period				
Profit /(Loss) for the period	-	-	(65)	(65)
Total Comprehensive profit /(loss) for the period	**-**	**-**	**(65)**	**(65)**
Balance as at 31st March 2021	**60**	**107,582**	**(23,767)**	**83,875**

Notes

(forming part of the financial statements)

1 Accounting policies

Tech Mahindra Fintech Holdings Limited ('the Company') is a private company limited by shares, incorporated, registered and domiciled in England and Wales, in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The

Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. The Company's ultimate parent undertaking, Tech Mahindra Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Tech Mahindra Limited are prepared in accordance with Indian Accounting Standards and are available to the public and may be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; and
- Key Management Personnel compensation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement Convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company was formed to acquire the share capital of Target Topco Limited and this transaction completed during the year 2016-17. During the year 2019-20 Target Topco limited has been dissolved. The company does not carry on any activities other than holding an investment in Target Group Limited

During the year, the management has simplified the holding structure of the entire Target group. Consequently, Target TG Investment limited is being struck off. Refer to additional details in Note No 7.

As at 31 March 2021, the company had net current assets of £674,809 (Net current liabilities in 2020: £124,270,000), including cash of £458,419 (2020: £15,000), net assets of £83,874,809 (2020: £78,940,000) and reported a loss for the year then ended of 64,737 (2020:£ 22,350,000). The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

Tech Mahindra Limited, as the parent company has indicated that they will provide necessary funding to support the company to meet its obligations as they fall due for at least twelve months from the approval of these financial statements.

The directors are confident that the company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern

1.3 Foreign Currency

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non- monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognized in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable to the company; and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non- derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors and creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. In the Company balance sheet, investments in subsidiaries acquired for consideration are measured by reference to purchase price less any impairment.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included within liabilities.

1.6 Impairment

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.8 Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.9 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2 Auditor's remuneration

Auditor's remuneration:

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Audit of these financial statements	**4.50**	14.20
Amounts receivable by the company's auditor and its associates in respect of:		
Audit -related services	**-**	-
	4.50	14.20

3 Staff numbers and costs

During the reporting period, the company had no employees (2020 :Nil)

4 Directors' remuneration

No remuneration or benefits were paid to any of the directors during the period. The directors are remunerated by other group companies, however none of their remuneration was in respect of this company, due to its nature as a non-trading holding company.

5 Interest payable and similar expenses

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Interest on loans	**3,478**	220
Total interest payable and similar expenses	**3,478**	**220**

6 Taxation

Reconciliation of effective tax rate

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Profit / (loss)for the year	**(65)**	(22,350)
Total tax credit	**-**	-
Profit /(Loss)Loss before tax	**(65)**	(22,350)
Tax using the UK corporation tax rate of 19% (2020:19%)	**(12.35)**	(4,246)
Movement in deferred tax not recognised	**12.35**	4,246
Group tax relief claimed	**-**	-
Total tax credit included in profit or loss	**-**	-

The main rate of corporation tax is 19% (2020:19%)

No deferred tax has been recognised on the carried forward losses, as due to the nature of the company it cannot be estimated when these will be utilised.

7 Fixed asset investments

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Cost		
At 1 April	203,210	105,213
Addition to investments in Target TG Investments Limited	-	120,010
Addition to investments in Target Group Limited	-	120,010
Adjustment to acquisition cost against dividend	(120,010)	(105,213)
Adjustment on account of impairment / fair valuation	-	(36,810)
At 31 March	83,200	203,210
At 1 April	203,210	105,213
At 31 March	**83,200**	**203,210**

During the year, management of the company decided to simplify the holding structure of Target Group as a whole. This is being undertaken by the following steps:

Investment in Target TG Investments Limited

During the year, Target TG Investments Limited declared a dividend of £ 123,649,755. To the extent that this dividend represented a diminution in the value of the investee below its carrying value it has been treated as a return of capital and set against the full carrying value of the investment of £ 120,010,000, using the direct credit method. Therefore, the amount of dividend declared in excess of the carrying value of £ 3,639,755 has been recognised as income in the profit and loss account and the carrying value of the investment at the year-end is Nil. On 31 March 2021 application was made to strike off Target TG Investments Limited.

Investment in Target Group Limited

After dissolution of Target Topco Limited, the Company bought all the shares of Target Group Limited from its holding company, Target TG Investments Limited, for a value of £120,010,000 in March 2020.

Investments in Subsidiaries are accounted at cost less any provision for impairment. The directors have assessed the operations of the subsidiary entities, including the future projections, to identify indications of diminution in the value of the investments recorded in the books of accounts. Based on the performance of subsidiaries and relevant economic and market indicators which are adversely impacted as a result of Covid-19, the Company has reassessed the recoverable amount in its subsidiaries as on March 31, 2021. Estimates of future cash flows used in the value in use calculations are specific to the entity and based on its business plans. The future cash flows consider potential risks given the current economic environment and key assumptions, such as volume forecasts and margins. The discount rate used in the calculation reflects market's assessment of the risks specific to the investee company as well as time value of money. The discount rate (pre-tax rate) used to determine the value of the investment is 13%. The financial projections and future cash flows basis which investments have been tested for impairment consider the increase in economic uncertainties due to the COVID-19 pandemic, reassessment of the discount rates, growth rates in arriving at terminal value and subjecting these variables to sensitivity analysis. In the prior year, the recoverable amount was lower than the carrying value of investments, the Company had recognised an impairment loss of £36,810,000 on its investment in Target Group Limited. The value of the investment currently remains at £83,200,000 (2019 - £83,200,000) at the end of the year.

The company's wholly owned subsidiaries as at 31 March 2021 were as below

Subsidiary underdaking	**Registered Office**	**Class of Shared held**	**% Held**
Target Group Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Elderbridge Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Target Servicing Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Target Financial Systems Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%
Harlosh Limited	Target House, Cowbridge Road East, Cardiff, S Glamorgan, CF11 9AU	Ordinary	100%

8 Debtors

	Year ended 31 March 2021 £000	**Year ended 31 March 2020 £000**
Amounts owed by group undertakings	52	52
Prepayments	177	258
	229	**310**

Debtors are all due within one year.

9 Creditors: amounts falling due within one year

	Year ended 31 March 2021 £000	**Year ended 31 March 2020 £000**
Other creditors	12	19
Obligations under Share Purchase agreement	-	1,470
Amounts owed to group companies (See Note 12)	-	123,107
	12	**124,596**

The obligation under the share purchase agreement related to the acquisition of Target Topco Limited in 2016 and was the second and final contingent consideration payable in respect of the acquisition, was paid in May 2020.

10 Interest bearing loans and borrowings

Unsecured loans falling due within one year

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Loan payable to immediate related company :		
Principal	-	122,887
Interest	-	220
	-	**123,107**

During the year the company has settled the loan along with interest payables to its group companies. Refer note 13.

11 Share capital

	Number of shares	
Allotted, called up and fully paid	**31-Mar-21**	**31-Mar-20**
Balance at 1 April	1,000,001	1,000,001
Issued during the year	5,000,000	Nil
Balance as at 31 March	6,000,001	1,000,001

Types of Shares	**No of shares**	**Face Value**
		£
Ordinary shares of £0.010 each	58,75,001	875,001
A1 shares of £0.0001 each	62,500	62,500
A2 voting shares of £0.0200 each	62,500	62,500
	6,000,001	**1,000,001**

A1 Shares have no voting rights attached, are non-redeemable and are not entitled to dividends.

A2 Shares are entitled to the greater of: two votes per share held, and such number of votes that would give the holder 5% of voting rights in the company (reducing other classes accordingly). The shares are non-redeemable and are not entitled to dividends.

Ordinary shares are entitled to one vote, and are entitled to dividends.

In May 2017, the company issued 17,816 A1 ordinary shares of £ 0.0001 each to the employees of Target Group at a premium of £ 0.1599. These shares were financed by loan from company to employee at zero interest rate. Also the company has established Tech Mahindra Fintech Holding Limited Employee Benefit Trust (“Trust”) and allotted 19,059 A1 ordinary shares of £0.0001 each. No entries in respect of the scheme have been reflected in the financial statements as the company does not consider this to be material

Reserves

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

12 Ultimate controlling party

The Company is a subsidiary undertaking of Tech Mahindra Limited. The ultimate controlling party is Tech Mahindra Limited and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.

The largest group in which the results of the company are consolidated is that headed by Tech Mahindra Limited, Gateway Building, Apollo Bunder, Mumbai – 400001, India . The consolidated financial statements of Tech Mahindra Limited are available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company’s website (www.techmahindra.com).

13 Related party transactions

At 31 March 2021, £ Nil (2020: £ 123,107,180 (Principal £122,887,085 & Interest £219,863) is due in relation to intercompany loans and £52,079 (2020: £52,079) is receivable in relation to group tax relief from the immediate parent company, Tech Mahindra Limited. Interest expenses of £Nil (2020: 22,587) accrued on the intercompany loan with Tech Mahindra GmbH Interest expenses of £ Nil (2020: £ 197,276) accrued on the intercompany loan with Target TG Investments.

Below is the summary of the transactions during the year:

Details of related party transactions during the year ended March 31, 2020 and balances outstanding as at March 31, 2021:

£'000

Particulars	Related Party	Balance outstanding as on 31.3.2020	Transaction during the year	Balance outstanding as on 31.3.2021
		£	£	£
Dividend received	Target TGI investments Limited		123,649,755	-
Unsecured loan taken				
	Target TG Investments Limited*	120,010,000	-	-
	Tech Mahindra GmbH*	2,877,085	2,972,047	-
	MES UK Limited*	-	1,500,000	-
Interest on Unsecured loan	Target TG Investments Limited*	197,276	3,442,479	-
	Tech Mahindra GmbH*	22,587	21,867	-
	MES UK Limited*	-	13,593	-

* Repaid during the year

TARGET GROUP LIMITED

Board of Directors
Mr. Vivek Satish Agarwal
Mr. Patrick Michael Byrne
Mr. Roger Newman
Ms. Aileen Wallace

Registered number
01208137

Registered Office
Target House, 5-19
Cowbridge Road East,
Castlebridge, Cardiff,
CF11 9AU

Bankers
HSBC Bank

Auditors
KNAV Limited (formerly Expomax Ltd)
Hygeia Building, Ground Floor
66-68 College Road
Harrow, Middlesex
HA1 1BE

STRATEGIC REPORT

This strategic report has been prepared for the Group as a whole ("Target"), so includes matters which are significant to Target Group Limited and its subsidiary undertakings.

Review of the business

Principal activities

The principal activities of Target are the provision of transformational outsourcing, business process management and managed services to the financial services sector. We enable clients to transform performance by delivering a world class combination of customer experience, regulatory compliance and productivity through our digital technology and process improvement capabilities. Our services are delivered in highly regulated mission critical environments, and our platform supports over £28bn of business. We have over 40 years' experience and are trusted by over 50 financial institutions, including some of the top 20 global banks.

Through Elderbridge Limited we act as Lender of Record on a number of lending portfolios, providing management services for portfolio owners in the FCA regulated environment.

Covid-19 Pandemic

During the Covid-19 pandemic we recognised we had a crucial role to play in helping administer financial accounts for millions of customers, many of whom were concerned about their finances during a difficult time. Our customer service, and the safety and well-being of our staff are our priorities. Where required, we successfully transitioned our employees to home working, with just a skeleton staff remaining at our sites.

We are proud of the way our teams came together during this difficult time, however, to deliver this new way of working, it has had an impact on our financial results for the year ended 31 March 2021. We invested in capital expenditure related to IT equipment to enable a number of our contact centre staff to work from home. We incurred an additional operating expenditure, primarily relating to IT and facilities costs.

Financial review

The year ended 31 March 2021 has been challenging, we have continued to deliver critical projects for our clients whilst managing our response to Covid-19 and keeping our employees safe.

Turnover for the year ended 31 March 2021 of £70,960k (31 March 2020 of £69,490k) represents an increase of 2% (2020: decrease of 8%). The gross margin for the year was 27% (2020: 24%). We have invested in developing our sales pipeline and securing new business opportunities. As a result, we have an extremely healthy pipeline and have secured significant new contract wins. The timing of the delivery means we incur upfront cost in the year ended 31 March 2021, and will see the returns initiate in the year ended 31 March 2022. Against the backdrop of the Covid-19 pandemic, Target delivered the ability for our workforce to successfully work from home, providing continuity and stability for our staff and our clients. This, in turn, helped to support our improved financial performance in year.

Operating loss decreased from £9,992k for the year ended 31 March 2020 to an operating loss of £8,351k for the year ended 31 March 2021. The underlying operating loss, excluding the onerous contract provision release, for the year ended 31 March 2021 was £11,397k. The loss is driven, in part, by one time restructuring and retention costs, along with additional Covid-19 related expenditure. In addition we have continued to invest in our platforms and operating model during the year which will deliver future cost savings, but not all of our investment meets the capitalisation thresholds available. This has resulted in additional costs in the year, but it is important investment to ensure we continuously improve our services to clients and customers, whilst driving efficiencies into our operations.

The following data illustrate the annualised comparison:

	2021 £000	**2020 £000**
Revenue	70,960	69,490
EBITDA	(3,589)	(5,661)

Our markets

Our clients are predominantly providers of lending, payment, investment and insurance products, across both the public and private sectors. We service these markets through four key offerings; transformational outsourcing, business process outsourcing, managed services and software, all of which are supported by our professional services and consultancy teams.

Business performance

We have continued to work with Tech Mahindra, of which Target is a 100%-owned subsidiary, in bringing new technology to bear in helping our clients succeed. We have also expanded the range of industries we serve, with new clients in utilities and the public sector. We have been delighted that in our core markets existing and new clients have chosen to put more business with Target, enabling us to continue to grow our franchise and create additional, sustainable annuity revenue streams.

In our existing client portfolio, we saw several of clients chose to renew their contracts with Target, and a number also placed new business with us during the year. These are relationships that we value deeply. We expect that our continued focus on operational excellence will see us renew several further clients in the near future.

Brexit

Target has been monitoring and planning for any impacts of Brexit through a Brexit Governance Meeting. The meeting was initially held monthly, but is now being held as required, in response to any new information that arises. There is representation from across the business and the purpose is to identify potential risks and the mitigants should those risks transpire. The Brexit Governance Meeting considers both the potential impact on our operations, for example scenarios that may affect the demand on our operations (e.g. call volumes), and also potential impacts to our clients and suppliers. To date, there have been no materially adverse impacts to the operations and performance of the company.

People

During the year we saw several key leadership changes at the board level. We appointed Catherine Rowe as our CEO as Ian Larkin stepped down after 5 years at the helm. In March 2020, Chris Mills also joined as CFO to ensure a smooth handover with Iestyn Evans leaving Target during June 2020.

In September 2020, Catherine Rowe resigned as director of the company. In December 2020, Chris Mills also resigned as director of the company. Catherine Rowe and Chris Mills will be moving on to pursue other interests outside of Target. While Catherine and Chris were only with Target a reasonably short time, on behalf of Target and Tech Mahindra, we want to thank them for what was achieved in during their tenure.

In October 2020, Terence Baxter resigned as director and CRO of the company after 6 years at Target Group. The directors of the company would like to thank Terence for his dedication during his time at Target Group, and wish Terence well as he explores other opportunities.

In September 2020, Roger Newman was appointed as CEO. Roger is a senior business leader in Tech Mahindra and has been instrumental in leading several transformative customer engagements in the Banking, Financial Services and Insurance (BFSI) space. Following Roger's appointment, the structure of the Target Executive team was reviewed, and it was decided not to appoint a replacement CFO at this time.

The average number of colleagues increased to support our new business wins in the year from 1,069 to 1,237. We continue to invest in our Management Graduate Scheme, supporting 6 graduates within the business during the year.

Our culture programme continues to thrive. Built around a clear set of values and behaviours, our employee recognition scheme 'Target Wins' ensures we recognise individuals and teams that make an outstanding contribution across the business. We also have a localised reward scheme, "MyRecognition" which provides small rewards to swiftly recognise great examples of our Target values and behaviours.

Engagements levels as measured by the Best Companies survey increased. We have placed a greater focus on colleague well-being through a range of initiatives and events, which has resulted in us being well placed to support colleagues through COVID-19.

Our Diversity & Inclusion working group continues to drive initiatives at the heart of our values. At Target we are delighted to have a diverse workforce and we have continued to support and encourage engagement through a number of activities involving our employees. It has been a difficult year to deliver some of the activities that were planned but we have been able to provide these virtually and online where possible.

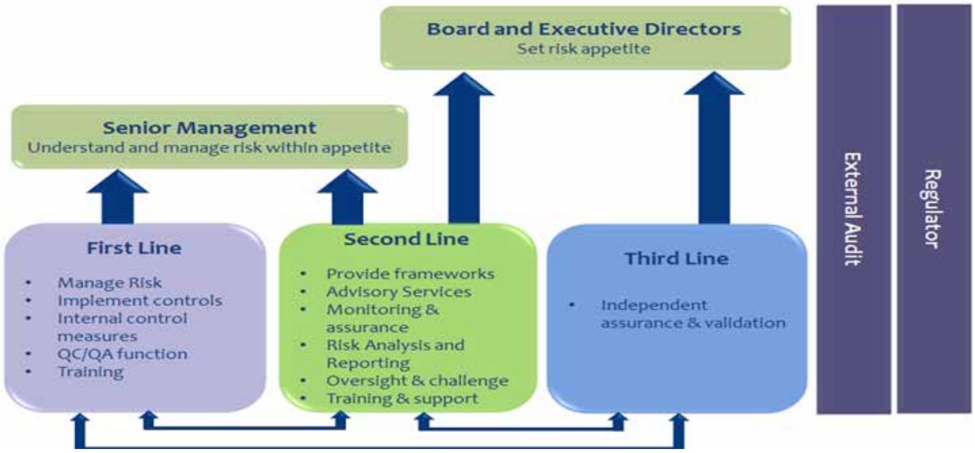
Corporate social responsibility

We continued to support charitable causes, though arranging the collection of regular charitable donations has been difficult due to COVID-19. As a Group, we are passionate about engaging with our local community and taking responsibility for the environment around us, we have been able to do this virtually and online where possible but we will be looking to get back to our previous levels of engagement, as and when restrictions are lifted.

Principal risks and uncertainties

Risk management in Target Group

Target seeks to embed effective risk management through the application of a 'Three Lines of Defence' model to manage and mitigate risks and provide assurance over preventative controls. The Framework is maintained by the Group Risk & Compliance function. Operation are the first line of defence and are responsible for day to day operational risk management. This is overseen by the Risk and Compliance Functions operating as the second line of defence. The third line is Internal Audit which operates as a co-sourced arrangement with Grant Thornton.



Outputs from risk management activities are reviewed through the Risk Governance Framework, culminating in escalation to the Board's Group Risk Committee or Group Audit Committee which are sub committees of the Target Group Board. We continue to review and evolve our Risk Management Framework, and as a result our Risk Governance Framework was updated during the year. The Framework is set out in the diagram below.

Principal risk outlook

Target is not risk averse but aims to offer innovative technology-based servicing, software and product propositions, within the constraints of its financial resources and without compromising customer outcomes, its reputation or its brand. It only pursues opportunities that are well understood, that support the vision and strategy of the group and where risks can be effectively managed.

The principal risks faced by the Group are summarised below:

Risk	Definition	Key mitigating actions
Conduct risk	The risk of a failure in our control and governance frameworks leading to unfair outcomes, detriment to our clients/customers and/or regulatory censure.	Target's governance and control frameworks are designed to minimise the risk of unfair outcomes. These frameworks are subject to regular review by Target, its clients and their auditors.

Risk	Definition	Key mitigating actions
Information security risk	The risk of failure in our controls for protecting corporate, client and customer data, leading to loss of client and customer trust, material cost and reputational damage.	Target maintains extensive controls to safeguard data, including increasing employee awareness, physical and logical access controls and data encryption. We have also invested in additional controls and technology because of GDPR which will further mitigate this risk.
Operational risk	The risk of failing to effectively deliver the volume of simultaneous, complex change facing the business and thereby impacting on service delivery.	Target has a combined and comprehensive resource management approach that enables effective management of change across all business activities, while maintaining agreed standards of conduct and service level performance.

Future developments

Target Group is in an excellent position to take advantage of opportunities arising in the coming year.

A rapidly changing financial services market will lead to opportunities with both established players and disruptive entrants. The continued strengthening of our senior leadership team and our relationship with Tech Mahindra during the year leaves us well positioned to secure these new client opportunities.

Ultimately the success of Target will be determined by the success of our clients and I would like to take this opportunity to thank our clients for their continued custom.

By order of the board

5-19 Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

R Newman
Director

July 1, 2021

DIRECTORS' REPORT

The directors present their annual report together with the financial statements and auditor's report, for the year ended 31 March 2021.

In accordance with Section 414C (11) of the Companies Act 2006, certain information around the trading activities of the Group are contained within the Strategic Report.

Results and dividends

The Group's results are set out in the consolidated profit and loss account on page 1413 and the strategic report on page 1402. The directors elected not to declare a dividend during the year (2020: £5,453k).

Directors

The directors who held office during the year were as follows:

P. M. Byrne

T. A. Baxter (resigned 30 October 2020)

V.S. Agarwal

A.S. Doman (resigned 5 October 2020)

I.D. Evans (resigned 19 June 2020)

A. Wallace

C. E. Rowe (appointed 4 May 2020, resigned 7 September 2020)

C. A. Mills (appointed 24 June 2020, resigned 11 December 2020)

R. Newman (appointed 31 July 2020)

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the prior period and remain in force at the date of this report.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risks.

Cash flow risk

All treasury matters are coordinated via the relevant group functions of our parent entity Tech Mahindra Limited.

There is minimal interest rate risk to the Group as we hold no external debt, except our finance leases.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of clients. Most of our clients are blue chip investment, retail banking, finance and insurance companies, and government bodies which represent a low credit risk.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term debt finance, when required. Finance leases are used by the company to facilitate the purchase of long-term assets (note 1).

Regulatory risk

Target Servicing Limited holds FCA permissions as an IFPRU 125k limited licence firm to enable it to operate as a plan manager within the structured product arena under the Hartmoor Financial brand. Whilst the plan manager business was closed in November 2016, we have kept these permissions with the Financial Conduct Authority. Our risk function reviews our regulatory requirements on an ongoing basis to ensure compliance with all relevant permissions held.

Political contributions

No political donations were made (2020: nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure their employment with the Group continues and that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings with the Executive Committee ("ExCo") in the form of Town Halls, Heads of Department Scrums and group e-mail communications. The Town Halls are open forums and are a way of consulting regularly with employees on a wide range of matters affecting their current and future interests.

Energy and Carbon Reporting

For the period from 1 April 2020 to 31 March 2021 the consumption of reportable energy for the Group was 2,340,504 kWh and 13,592 miles of travel mileage reimbursements to employees. This equated to:

- 535 tCO2e from the purchase of electricity
- 5 tCO2e from the purchase of gas
- 4 tCO2e from the purchase of oil
- 4 tCO2e from miles travelled by employees

Energy efficiency:

The Group does not own any of its buildings, nor are they run under finance leases. We have no authority to improve the energy efficiency of the buildings without agreement and investment from our landlords.

Whilst we encourage energy efficiency best practice with our employees, the health and welfare of our employees always comes first. The extent of staff travel time and mileage has greatly reduced during the year due to the impacts of Covid-19 working restrictions, which has significantly reduced our associated CO 2 emissions.

Intensity Ratio:

The group used on average 1 kgCO2 for every £129.36 of turnover (2020: 1kg CO2 for every £61.95).

Methodology:

We have calculated out emissions based on the Activity data (kWh or mileage) x Emission Factor.

As our energy usage is invoiced directly from our energy suppliers, and we have taken the usage of electricity, gas and oil directly from the supplier invoices to determine the Activity data. For mileage, we have used employee expense claims to determine the Activity data. We have used data from the Carbon Trust: (https://proddrupal-files.storage.googleapis.com/documents/resource/public/Conversion_factor_introductory_guide.pdf) as the emissions factor source.

Statement of engagement with suppliers, customers and others in a business relationship with the group

We value our customer relationships deeply and all clients have specific Client Account Manager and Director to ensure regular and relevant engagement. Given that we are a business that provides long-term services to clients, the ability to develop and foster our client relationships is key to our success. We use client satisfaction surveys as a key metric to engage with our clients to monitor and continuously improve our services to them.

We proactively engage with our suppliers as we have a number of suppliers that are fundamental to the quality of our services, and therefore to ensuring that we meet the high standards of conduct that we set ourselves. We perform due diligence on our suppliers before entering a relationship to assess whether they meet the standards of conduct we expect. We conduct frequent supplier meetings, the regularity of which are done on a risk-based approach, with all suppliers tiered in accordance to their size and how business critical their services are to us.

Section 172 Statement

Target Group is a trusted provider of outsourced services within the financial services sector and as such the group seeks to put the customers of its clients first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for shareholders.

The Directors of the group have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at Board level and throughout the Group. Issues, factors and stakeholders which the Directors have considered when discharging their duty under section 172(1) are detailed within the strategic report and directors' report within these annual statements.

Our business purposes and the risks facing our organisation are set out in the strategic report, including those relating to our people and our social responsibilities practices, including examples of stakeholder engagement with employees and suppliers.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report on page 1402.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the directors have appointed KNAV Limited as auditors of these financial statements.

By order of the board

5-19 Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

R Newman
Director

July 1, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TARGET GROUP LIMITED

Opinion

We have audited the financial statements of Target Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors

As explained more fully in the Statement of Director's Responsibilities [page 1409], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Group, Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102, UK taxation legislation and the Financial Conduct Authority's regulations as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Group's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Group and Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management of legal matters in the year and use of legal firms thereof.;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanjit Singh FCA (Senior Statutory Auditor)

For and on behalf of KNAV Limited (formerly Expomax Ltd), Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: July 1, 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Note	Year ended 31 March 2021	Year ended 31 March 2020
		£'000	£'000
Turnover	3	**70,960**	**69,490**
Cost of sales		(51,687)	(52,612)
Gross profit		**19,273**	**16,878**
Administrative expenses		(27,624)	(26,870)
Operating (loss)/profit		**(8,351)**	**(9,992)**
Interest payable and similar expenses	4	(102)	(166)
Interest receivable and similar income	5	-	4
(Loss)/profit before taxation	7	**(8,453)**	**(10,154)**
Tax on profit	10	1,519	1,844
(Loss)/profit after taxation		**(6,934)**	**(8,310)**
Other comprehensive income		-	-
Total comprehensive income		**(6,934)**	**(8,310)**

All results relate to continued operations.

Notes on pages 1418 to 1433 form an integral part of these financial statements.

TARGET GROUP LIMITED

CONSOLIDATED BALANCE SHEET

at 31 March 2021

	Note	31 March 2021		31 March 2020	
		£000	£000	£000	£000
Fixed assets					
Goodwill	11		-		220
Other intangibles	11		453		2,423
Tangible assets	12		4,689		6,024
			5,142		**8,667**
Current assets					
Debtors – due within one year	14	24,309		27,876	
Debtors – due after one year	14	3,426		1,848	
		27,735		**29,724**	
Cash at bank and in hand		3,199		1,362	
		30,934		**31,086**	
Creditors: amounts falling due within one year	15	(22,640)		(16,018)	
Net current assets			**8,294**		**15,068**
Total assets less current liabilities			**13,436**		**23,735**
Creditors: amounts falling due after more than one year	16		(3,350)		(3,670)
Provisions for other liabilities	18		(1,795)		(4,845)
Net assets			**8,291**		**15,220**
Capital and reserves					
Called up share capital	19		810		810
Share premium account			501		501
Capital redemption reserve			68		68
Profit and loss account			6,912		13,841
Shareholders' funds			**8,291**		**15,220**

These financial statements were approved by the board of directors on July 1, 2021 and were signed on its behalf by:

R. Newman
Director
5-19 Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

COMPANY BALANCE SHEET

at 31 March 2021

	Note		31 March 2021		31 March 2020
			£000		£000
Fixed assets					
Intangible assets	11		433		2,282
Tangible assets	12		3,914		5,169
Investment in subsidiary undertakings	13		11,036		11,036
			15,383		**18,487**
Current and non-current assets					
Debtors – due within one year	14	12,943		8,788	
Debtors – due after one year	14	1,123		368	
		14,066		**9,156**	
Cash at bank and in hand		2,777		842	
		16,843		**9,998**	
Creditors: amounts falling due within one year	15	(32,697)		(24,321)	
Net current (liabilities)			**(15,854)**		**(14,323)**
Total assets less current liabilities			**(471)**		**4,164**
Creditors: amounts falling due after more than one year	16		**(1,272)**		(1,592)
Net assets			**(1,743)**		**2,572**
Capital and reserves					
Called up share capital	19		810		810
Share premium account			501		501
Capital redemption reserve			68		68
Profit and loss account			(3,122)		1,193
Shareholders' funds			**(1,743)**		**2,572**

The loss for the financial year dealt with in the financial statements of the parent company was (£4,315k) (2020:£7,098k loss).

These financial statements were approved by the board of directors on July 1, 2021 and were signed on its behalf by:

R. Newman
Director
5-19 Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity shareholders of the Group

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2019	810	501	68	27,604	28,983
Total comprehensive income for the year					
Loss for the year	-	-	-	(8,310)	(8,310)
Dividend	-	-	-	(5,453)	(5,453)
Balance at 31 March 2020	**810**	**501**	**68**	**13,841**	**15,220**
Total comprehensive income for the year					
Disposal of Harlosh New Zealand in prior year	-	-	-	5	5
Loss for the year	-	-	-	(6,934)	(6,934)
Unaudited balance at 31 March 2021	**810**	**501**	**68**	**6,912**	**8,291**

COMPANY STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity shareholders of the Company

	Note	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
		£000	£000	£000	£000	£000
Balance at 1 April 2019		810	501	68	13,744	15,123
Total comprehensive income for the year						
Dividend	21	-	-	-	(5,453)	(5,453)
Profit for the year		-	-	-	(7,098)	(7,098)
Balance at 31 March 2020		**810**	**501**	**68**	**1,193**	**2,572**
Total comprehensive income for the year						
Dividend	21	-	-	-	-	-
Loss for the year		-	-	-	(4,315)	(4,315)
Unaudited balance at 31 March 2021		**810**	**501**	**68**	**(3,122)**	**(1,743)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021

1 Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Target Group Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1401.

The nature of the group's operations and its principal activities are set out in the Directors' report and Strategic report on pages 1402 to 1408.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The functional currency of Target Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Target Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The consolidated financial statements of Tech Mahindra Limited, within which this Company is included, can be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com).

Going concern

The directors have considered the use of the going concern basis in the preparation of the Group and Company financial statements in light of the current financial position of the Group and Company and their related forecast cash flows. They have concluded that it is appropriate at the date of signing the financial statements.

The Directors have considered the impact of the current COVID-19 pandemic on the business, with a particular focus on its effect on the Group's and Company's employees, customers and suppliers.

The Group's products and services remained critical to customers during the pandemic and will continue to remain critical as the pandemic and lockdown eases. The group has remained open and operational throughout the pandemic to date, continuing to provide customers with our services, some of which have been undertaken remotely with minimal disruption. It is expected that the Group will continue operating in this manner for the foreseeable future, at least until restrictions are fully lifted. We do not expect significant disruption to the services being delivered, or to the Company's anticipated performance and strategic direction.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these consolidated financial statements in order to assess the Group's ability to continue as a going concern. This includes modelling of severe downside scenarios such as a drop in new business activity and unmitigated increases in the cost base.

The ongoing impact of COVID-19 on revenues and our cost base has been considered and reflected in forecasts which show that whilst revenue is expected to continue in line with this year, there is continuing pressure on costs. As such, various cost optimisation / reduction programmes are being implemented that will impact both next year as well as the longer-term.

Given this situation and the continued investment in the company's platforms, operations and new business opportunities, the forecasts indicate that, after taking account of reasonably possible downsides, the Group and Company will post a similar result for the coming year with improvements being realised thereafter.

The company does not have any external debt or material financing arrangements in place currently and as a result, in this case, the forecasts, which have been prepared for a period of at least 12 months, indicate that the company will have sufficient funds through funding from its intermediate parent company, Tech Mahindra Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Tech Mahindra Limited providing additional financial support during that period. Tech Mahindra Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings made up to 31 March 2021, and previously to 31 March 2020. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the profit and loss account. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

Intangible assets - Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life. Provisions are made for any impairment.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. The directors consider each acquisition separately for the purpose of determining the amortisation period, being the period over which the directors estimate that economic benefit will continue to be derived from the purchase as:

Goodwill on consolidation arising on acquisition of subsidiary undertakings	5 – 10 years

Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. This period is between 2 and 5 years. Provisions are made for any impairment. See note 2 for further details.

Other intangible assets

Intangible assets acquired as part of a business acquisition are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. The intangible assets acquired have been valued using an income approach, using the multi-period excess earnings method for customer contracts, and the relief from royalty method for brands.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful economic lives as follows:

Customer contracts	5 years
Brand	5 years
Capitalised development costs	2 to 5 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at their historic cost, net of depreciation and any provision for impairment. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less the estimated residual value, of each asset on a straight-line basis over their estimated useful economic lives from the point they are brought into use as follows:

Short leasehold property	-	the term of the lease
Computer equipment	-	3-7 years
Fixtures and fittings	-	3-10 years
Motor vehicles	-	2-4 years

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions, are subsequently measured at amortised cost using the effective interest method:

a. Returns to the holder are (i) a fixed amount; or (ii) a positive fixed rate of return over the life of the instrument; or (iii) a positive variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

b. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

c. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

d. There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss as described below.

Non-financial assets

The carrying amounts of the entity’s non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset’s carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provisions of solutions to third party customers. Solutions can be provided in four ways: as software licence and related service sales, under facilities management contracts, under business transformation contracts and under business process outsourcing contracts.

Turnover for the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

Government grants

Government grants are accounted under the accruals model as permitted by FRS 102 and are recognised in the Profit and Loss in the same period as the related expenditure. The group has chosen to show the government grants received as other operating income.

Retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Assets held under finance leases and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future obligations are recorded as liabilities, while the interest elements of the rental obligations are charged to the profit and loss account over the periods of the leases and to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged in the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. A provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Due to the complexity of some of the Group's contracts, there are judgements to be applied, including the measurement and timing of implementation revenue recognition and the recognition of assets and liabilities that result from the performance of the contract.

Research and development costs

In line with FRS 102, the Group capitalises expenditure on development activities where that expenditure meets the requirements of the standard i.e. a product or process is technically and commercially feasible, the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and the Group can measure reliably the expenditure attributable to the intangible asset during its development. Projects are assessed on an individual basis to determine which activities meet the eligibility criteria for capitalisation as an intangible asset. The days attributable to eligible activities based on the time recording system, together with management assessment of percentage attributable where required, are multiplied by the relevant day rate for that period and capitalised. Eligible non-staff costs are also capitalised where relevant.

There are also judgements applied to the period over which the costs will be recovered. This determines the amortisation period appropriate for the asset.

3 Turnover

Turnover by destination was UK £70,234k (2020: £68,378k) and rest of the world £726k (2020: £1,112k).

The table below sets out information for each of the group's industry segments:

	Software		**Services**		**Total**	
	2021	2020	**2021**	2020	**2021**	2020
	£000	£000	**£000**	£000	**£000**	£000
Turnover	**23,916**	18,100	47,045	**51,390**	70,960	69,490

4 Interest payable and similar expenses

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
Bank interest and charges	**9**	5
Hire purchase and finance interest	**93**	106
Other finance costs	**-**	55
	102	**166**

5 Interest receivable and similar income

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
Other interest receivable and similar income	**-**	4
	-	4

6 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year was as follows:

	Number of employees	
	Year ended 31 March 2021	Restated Year ended 31 March 2020
Technical and operational	**1,106**	943
Sales, marketing, management and administration	**131**	126
	1,237	1,069

On further review, the Group noted an error in the prior year's average staff numbers and as such have corrected this in the current year. Technical and operational staff employed changed from 940 employees to 943 and sales, marketing, management and administration staff employed changed from 126 to 142. There is no financial impact to the Group as a result of this change. The aggregate payroll costs of these persons were as follows

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
Wages and salaries	**38,977**	32,498
Social security costs	**3,705**	3,035
Pension costs	**1,601**	1,772
	44,283	37,305

7 (Loss) / Profit before taxation

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
Profit before taxation is stated after charging/(crediting):		
Amortisation of goodwill (note 11)	**220**	155
Amortisation of other intangible assets (note 11)	**1,970**	1,685
Depreciation (note 12)		
Owned	**1,705**	1,839
Leased	**760**	652
Rentals under operating leases - property	**1,143**	1,116
Foreign exchange loss / (gain)	**4**	55
Government grants – furlough	**(21)**	-
Auditor's remuneration:		
Audit of these financial statements	**36**	37
Audit of financial statements of other group companies pursuant to legislation	**34**	37
Other assurance services	**-**	19

Auditor's remuneration in respect of the company was £36k (2020: £37k). Audit of other group companies relates to the audit fees for the subsidiaries Harlosh Limited, Target Servicing Limited, Target Financial Systems Limited and Elderbridge Limited and the parent companies Target TG Investments Limited.

Amortisation and impairment charge

The amortisation, impairment charge and impairment reversals are recognised in the following line items in the profit and loss account:

	2021	2020
	£000	£000
Administrative expenses	**2,190**	1,840

8 Profit and loss account of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account or statement of other comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

9 Directors' remuneration

Emoluments of the directors were as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
Directors' emoluments	**1,321**	889
Company contributions to money purchase pension scheme	**14**	26
	1,335	915

The number of directors who:

Are members of a money purchase pension scheme	**3**	3
Had awards receivable in the form of shares under a long-term incentive scheme	**2**	3

The aggregate of emoluments of the highest paid director were £545k (2020: £263k) and company pension contributions of £nil (2020: £11k) were made to a money purchase pension plan on his behalf.

10 Taxation

The tax charge for the period comprises:

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	**£000**
Current tax		
UK Corporation tax on (loss)/profit for the year	**-**	-
Adjustments in respect of prior periods	**(44)**	(274)
Total current tax charge / (credit)	**(44)**	**(274)**
Deferred tax:		
Origination and reversal of timing differences	**(1,486)**	(1,186)
Adjustments in respect of prior periods	**11**	(384)
Total deferred tax charge / (credit)	**(1,475)**	**(1,570)**
Total tax charge / (credit) on profit	**(1,519)**	(1,844)

The tax (credit)/charge is lower (2020:lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%) as explained below:

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
(Loss)/Profit for the year	(6,934)	(8,310)
Total tax (credit)/charge	(1,519)	(1,844)
(Loss)/Profit excluding taxation	(8,453)	(10,154)
Tax at 19% (2020:19%)	(1,606)	(1,929)
Effects of:		
Expenses not deductible for tax purposes	49	743
Group relief claimed		-
Tax losses utilised in the year		-
Adjustments in respect of prior periods	38	(658)
Total charge for the year as above	(1,519)	(1,844)

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The deferred tax balance as at 31 March 2021 has been calculated based on this rate.

11 Intangible Fixed Assets

Group	**Development costs**	**Brand**	**Customer contracts**	**Goodwill**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Cost					
At 1 April 2020	7,856	145	213	776	**8,990**
Additions	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
At 31 March 2020	**7,856**	**145**	**213**	**776**	**8,990**
Amortisation					
At 1 April 2020	5,534	104	153	556	**6,347**
Charge for the year	1,869	41	60	220	**2,190**
Disposals	-	-	-	-	**-**
At 31 March 2021	**7,403**	**145**	**213**	**776**	**8,537**
Net book value					
At 31 March 2021	**453**	**-**	**-**	**-**	**453**
At 31 March 2020	**2,322**	**41**	**60**	**220**	**2,643**

Company	**Development costs**	**Total**
	£000	£000
Cost		
At 1 April 2020	7,614	**7,614**
Additions	-	**-**
Disposals	-	**-**
At 31 March 2021	**7,614**	**7,614**

Company	Development costs	Total
	£000	£000
Amortisation		
At 1 April 2020	5,332	**5,332**
Charge for the year	1,849	**1,849**
Disposals	-	**-**
At 31 March 2021	**7,181**	**7,181**
Net book value		
At 31 March 2021	**433**	**433**
At 31 March 2020	**2,282**	**2,282**

Development costs relating to the design and build of core systems have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss. These costs are being amortised over the life of the project to which they relate on a straight-line basis, which is no more than 5 years.

Goodwill arising on the acquisition of Harlosh Ltd is fully amortised.

Goodwill arising on the acquisition of Commercial First Mortgages Ltd's trade and assets have been amortised fully during the year, as the directors' believe the recoverable value of these assets to be nil. Prior to this, the assets were amortised evenly over its useful economic life of 5 years.

12 Tangible fixed assets

Group	Short leasehold property	Computer equipment	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost				
At 1 April 2020	250	21,130	1,856	23,236
Additions	-	1,130	-	1,130
Disposals	-	-	-	-
At 31 March 2021	**250**	**22,260**	**1,856**	**24,366**
Depreciation				
At 1 April 2020	175	15,699	1,338	17,212
Charge for the year	29	2,222	214	2,465
Disposals	-	-	-	-
At 31 March 2021	**204**	**17,921**	**1,552**	**19,677**
Net book value				
At 31 March 2021	**46**	**4,339**	**304**	**4,689**
At 31 March 2020	75	5,431	518	6,024

The Group has leased IT equipment and infrastructure which are considered to meet the definition of finance leases and are accounted for accordingly.

Included in tangible fixed assets of the Group are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2021 of £8,850k and £1,517k respectively (2020: £8,648k and £2,046k (restated from £7,191k and £589k as disclosed in the previous year's financial statements)). The associated depreciation for the period on those assets was £731k (2020:£652k).

Company	Short leasehold property	Computer equipment	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost				
At 1 April 2020	180	15,684	972	16,836
Additions	-	652	-	652
Disposals	-	-	-	-
At 31 March 2021	**180**	**16,336**	**972**	**17,488**
Depreciation				
At 1 April 2020	148	10,806	713	11,667
Charge for the year	22	1,775	110	1,907
Disposals	-	-	-	-
At 31 March 2021	**170**	**12,581**	**823**	**13,574**
Net book value				
At 31 March 2021	**10**	**3,755**	**149**	**3,914**
At 31 March 2020	32	4,878	259	5,169

Included in tangible fixed assets of the Company are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2021 of £6,938k and £1,512k respectively (2020: £6,735k and £2,030k). The associated depreciation for the period on those assets was £721k (2020: £620k).

13 Investment in subsidiary undertakings

Company	2021	2020
	£000	£000
Cost		
At 1 April 2020 and 31 March 2021	**17,888**	17,888
Provisions		
Provision for investment in Harlosh Limited	**(6,852)**	(6,852)
Net book value		
At 31 March 2020 and 31 March 2021	**11,036**	11,036

In the previous year, the directors of company decided to focus on its core activities within lending and investment. The insurance sector was no longer considered to be a key strategic area for the Target Group and the activities of its subsidiary entity, Harlosh Limited, either ceased or were transferred to another group entity. As a result, Harlosh Limited was not considered a going concern and a provision had been recognised for the full cost of investment in Harlosh Limited. The directors assessed the carrying value of the company's investment in other subsidiaries at year-end and are of the opinion that they are not worth less than the carrying value in the financial statements..

The company's wholly owned subsidiaries at 31 March 2021 were:

	Country of incorporation	Principal activity	Class of shares	Percentage ownership
Subsidiary undertakings				
Target Servicing Limited	UK	Provision of business process outsourced services	Ordinary	100%
Harlosh Limited	UK	Provision of computer applications software and related services	Ordinary	100%

	Country of incorporation	Principal activity	Class of shares	Percentage ownership
Target Financial Systems Limited	UK	Management of owned loan portfolios	Ordinary	100%
Elderbridge Limited	UK	Lender of record for loan portfolios	Ordinary	100%

TThe registered office of all subsidiary companies is Target House, Cowbridge Road East, Cardiff, CF11 9AU and the individual results of each entity have been included in these consolidated financial statements.

14 Debtors

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade debtors	**8,307**	9,276	**3,566**	1,630
Gross amount due from customers for contract work**	**9,455**	13,862	**1,539**	2,596
Other debtors	**56**	101	**8**	8
Prepayments and accrued income	**2,915**	2,454	**2,077**	1,648
Deferred tax asset (note 17) **	**3,198**	1,723	**1,378**	421
Corporation Tax	**1,165**	1,120	**911**	1,331
Amounts due from group undertakings	**2,639**	1,188	4,587	1,522
	27,735	29,724	**14,066**	9,156

** Included in the above figures are the following amounts due after more than one year:

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Gross amount due from customers for contract work	**-**	-	**-**	-
Deferred tax asset (note 17)	**3,426**	1,848	**1,123**	368
	3,426	1,848	**1,123**	368

15 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Obligations under finance leases	**796**	716	**796**	716
Trade creditors	**1,652**	2,847	**687**	1,949
Other taxes and social security costs	**2,790**	1,205	**1,808**	(655)
Other creditors	**319**	267	**262**	256
Accruals and deferred income	**7,834**	6,031	**5,268**	3,820
Amounts due to group undertakings	**9,249**	4,952	**23,876**	18,235
	22,640	**16,018**	**32,697**	**24,321**

The prior year's comparative for the following classifications have been restated so as to better reflect the nature of the transaction:

- Group trade creditors have been restated from £3,293k to £2,847k
- Group accruals and deferred income have been restated from £10,118k to £6,031k
- Group amounts due to group undertakings have been restated from £Nil to £4,952k

- Company trade creditors have been restated from £2,111k to £1,949k
- Company accruals and deferred income have been restated from £7,739k to £3,820k
- Company amounts due to group undertakings have been restated from £14,154 to £18,235k

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Obligations under finance leases (amounts payable in the second to fifth years inclusive)	**1,272**	1,592	**1,272**	1,592
Accruals and deferred income	**2,078**	2,078	**-**	-
	3,350	3,670	**1,272**	1,592

17 Deferred taxation

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
At beginning of year - asset	**1,723**	155	**421**	53
(Charge) / credit for the year in the P&L account	**1,475**	1,568	**957**	368
At end of year – asset (note 14)	**3,198**	1,723	**1,378**	421
The deferred tax asset comprises				
Tax losses carried forward	**3,426**	1,848	**1,123**	368
Other timing differences	**(228)**	(125)	**255**	53
	3,198	1,723	**1,378**	421

A further deferred tax asset of £41k (2020: £41k) for the group and £41k (2020: £41k) for the company has not been recognised due to uncertainty over its future utilisation. It is made up as follows:

	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
The unprovided deferred tax asset comprises				
Tax losses carried forward	**41**	41	**41**	41
	41	41	**41**	41

18 Provision for liabilities

The group had the following provisions during the year:

	Group	
	Onerous contract provision	**Total**
	£000	£000
As at 1 April 2020	**(4,845)**	(4,845)
(Charge) / credit for the year in the P&L account	**3,050**	**3,050**
As at 31 March 2021	**(1,795)**	**(1,795)**

Onerous contract provision

The group provides for any contract where the unavoidable cost of delivering our contractual obligations exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net costs 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.

Company

The Company had no provision for liabilities as at 31 March 2021.

19 Share capital

	Ordinary shares of 5p each	'A' shares of 5p each	'B' shares of 5p each	Total
	Number	Number	Number	Number
Allotted, called up and fully paid				
At 31 March 2020 and 31 March 2021	11,557,417	1,476,287	3,161,200	16,194,904

	Ordinary Shares of 5p each	'A' Shares of 5p each	'B' Shares of 5p each	Total
	£000	£000	£000	£000
Allotted, called up and fully paid				
At 31 March 2020 and 31 March 2021	578	74	158	810

Both the 'A' and 'B' shares carry no right to vote at, attend or receive notice of general meetings of the company. They have rights to income or capital only on a sale of the business for a value above specific defined thresholds.

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The capital redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

20 Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group		Company	
Financial assets	**2021 Total**	2020 Total	**2021 Total**	2020 Total
	£000	£000	**£000**	£000
Measured at undiscounted amount receivable				
Amounts due from customers (see note 14)	**17,762**	23,138	**5,105**	4,226
Amounts due from related undertakings (see note 14)	**2,639**	1,188	**4,587**	4,116
Other amounts	**7,334**	5,398	**4,374**	3,409
	27,735	29,724	**14,066**	11,751

Financial liabilities	Group 2021 Total £000	Group 2020 Total £000	Company 2021 Total £000	Company 2020 Total £000
Measured at amortised cost				
Finance lease liabilities (see notes 15 & 16)	**2,068**	2,308	**2,068**	2,308
Measured at undiscounted amount payable				
Trade and other creditors	**14,673**	12,428	**8,025**	5,370
Amounts owed to related undertakings	**9,249**	4,952	**23,876**	18,235
	25,990	19,688	**33,969**	25,913

Refer to note 15 for details of the restatement.

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

Financial assets	Group 2021 Total	Group 2020 Total
Interest income and expense	**£000**	£000
Total interest income for financial assets at amortised cost	**-**	-
Total interest expense for financial liabilities at amortised cost	**93**	106

The interest expense includes £nil (2020: £nil) of interest that was recognised within cost of sales in Target Financial Systems Limited. The remainder relates to bank and other finance costs (note 4).

21 Dividend

No dividends were declared during the year (2020: £5,453k).

22 Commitments

Group capital commitments authorised and contracted at 31 March 2021 were £nil (2020: £nil).

Group total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 Total £000	2020 Total £000
Group:	**-**	-
In the first year	**1,030**	1,072
Between one and five years	**3,761**	3,949
After five years	**183**	1,025
	4,974	6,046

Total future minimum lease payments under non-cancellable finance leases are as follows:

	2021 Total £000	2020 Total £000
Company only:	**-**	-
In the first year	**825**	447
Between one and five years	**1,239**	1,680
After five years	**-**	295
	2,064	2,422

Annual commitments at 31 March 2021 relate to property and car leases. The majority of leases of land and buildings are subject to rent reviews.

The company had no capital commitments or annual commitments at the year-end (2020: £nil).

23 Pensions

The assets of the pension schemes to which the group contributes on behalf of its employees are held within independently administered funds. The schemes are all defined contribution schemes thus the group's obligation is solely to make contributions based on a percentage of salary. Employer contributions to the schemes for the year amounted to £1,601k (2020: £1,772k). The pension liability at the year end was £357k (2020: £253k).

24 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		**Company**	
Financial liabilities	**2021**	2020	**2021**	2020
	£000	£000	**£000**	£000
Creditors falling due after more than one year				
Finance lease liabilities (see note 16)	**1,272**	1,592	**1,272**	1,592
Creditors falling due within less than one year				
Finance lease liabilities (see note 15)	**796**	716	**796**	716

Terms and debt repayment schedule

Group	**Currency**	**Nominal interest rate**	**Year of maturity**	**Repayment schedule**	**2021**	2020
					£000	£000
Finance lease liabilities	GBP	6%	2019 – 2023	Quarterly	796	2,308

Company	**Currency**	**Nominal interest rate**	**Year of maturity**	**Repayment schedule**	**2021**	2020
					£000	£000
Finance lease liabilities	GBP	6%	2019 – 2023	Quarterly	796	2,308

25 Ultimate controlling party

The immediate parent company is Tech Mahindra Fintech Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, with a registered office at 401 Grafton Gate, Milton Keynes, MK9 1AQ.

The ultimate parent company and largest group in which the results of the company are consolidated is Tech Mahindra Limited. The consolidated financial statements of Tech Mahindra Limited are available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com). Tech Mahindra Limited is also the ultimate parent company and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.

TECH MAHINDRA (SWITZERLAND) SA

Board of Directors
Mr. Alexander Dembitz
Mr. Vivek Satish Agarwal

Registered Office
chemin du Château-Bloch 11,
1219 Le Lignon – Geneva,
Switzerland

Bankers
UBS AG

Auditors
KPMG SA

REPORT OF THE STATUTORY AUDITOR ON THE LIMITED STATUTORY EXAMINATION TO THE GENERAL MEETING OF SHAREHOLDERS FINANCIAL STATEMENTS 2021

Report of the Statutory Auditor on the Limited Statutory Examination to the General Meeting of Shareholders of TECH MAHINDRA (SWITZERLAND) SA , Vernier

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of TECH MAHINDRA (SWITZERLAND) SA for the year ended 31 March 2021.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the Company's articles of incorporation.

KPMG SA

Beat Nyffenegger	Romain Thony
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Geneva, July 8th, 2021

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

TECH MAHINDRA (SWITZERLAND) SA

BALANCE SHEET AS OF 31 MARCH

	Notes	2021 CHF	2020 CHF
ASSETS			
Cash and cash equivalents	4.3	3,469,974	2,386,227
Trade accounts receivable			
- from third parties		1,297,904	1,394,737
- from shareholder		343,803	474,984
- from sister companies	3.4	698,029	2,623,563
Other short-term receivables			
- from third parties		430,506	234,938
Work in Progress		3,247,969	2,351,902
Prepaid expenses and accrued income		52,220	7,223
		9,540,405	**9,473,574**
Non-current assets			
Guarantee deposits		148,918	148,918
Other non-current receivable		23,637	23,637
Property, plant and equipment			
- Tangible fixed assets		1,527	4,453
		174,082	**177,008**
		9,714,487	**9,650,582**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable			
- to third parties		22,576	1,189,672
- to shareholder		509,206	2,580,402
- to sister companies	3.3	1,805,776	3,136,465
Short-term interest-bearing liabilities			
- to sister companies		471,026	-
Other short-term liabilities			
- to third parties		198,280	113,832
Accrued expenses and deferred income		2,265,829	1,698,552
Total Short-term liabilities		**5,272,694**	**8,718,923**
Long-term liabilities			
Long-term liabilities from third parties	3.5	500,000	-
Subordinated long-term interest-bearing liabilities from shareholder	3.1/3.3	-	6,500,000
Long-term provisions		133,538	-
Unrealized foreign exchange gain		44,468	123,726
Total Long-term liabilities		**678,006**	**6,623,726**
Total Liabilities		**5,950,700**	**15,342,649**
Shareholders' equity			
Share capital	3.2	1,700,000	1,700,000
Legal capital reserves			
- Other capital reserves		730,000	730,000
Legal retained earnings			
- General legal retained earnings		82,000	82,000
Accumulated losses			
- Accumulated losses brought forward		(8,204,067)	(7,473,012)
- Profit / (Loss) for the year		9,455,855	(731,055)
Total Shareholders' equity		**3,763,788**	**(5,692,067)**
Total Liabilities and Shareholders' equity		**9,714,488**	**9,650,582**

Alexander Dembitz
Director
Date: July 8th,2021

Vivek Satish Agarwal
Director
Date: July 8th,2021

INCOME STATEMENT

	Notes	2021 CHF	2020 CHF
Services		8,860,890	7,767,598
Intercompany services		1,902,957	2,116,363
Change in work in progress		896,067	1,795,729
Total operating income		**11,659,914**	**11,679,690**
Salaries and social charges		(2,920,137)	(4,030,367)
Other operating expenses		(6,594,054)	(8,157,556)
Depreciation on non-current assets		(2,925)	(3,489)
Total operating expenses		**(9,517,116)**	**(12,191,412)**
Operating result		**2,142,798**	**(511,722)**
Exchange gain / (loss)		202,902	(215,640)
Non-operating income	3.3	9,189,095	244,770
Non operating expenses	3.4	(2,058,479)	(202,223)
Profit / (Loss) for the year before taxes		**9,476,316**	**(684,815)**
Direct taxes		(20,461)	(46,240)
Profit / (Loss) for the year		**9,455,855**	**(731,055)**

Alexander Dembitz
Director
Date: July 8th,2021

Vivek Satish Agarwal
Director
Date: July 8th,2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Principles General

The Company was incorporated on November 2, 2001.

The principal activity of the Company is to provide banking consultancy services to banks and financial institutions in order to assist them in the implementation of solutions.

The Company's headquarter is in Vernier (Geneva - Switzerland).

2. Summary of significant accounting policies

2.1 General aspects

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 Revenue recognition

Services include revenue earned from services rendered on time and material basis, time bound fixed price engagements and system integration projects.

Revenue is recognised over the period of the contract in accordance with its term.

2.3 Tangible and intangible fixed assets

Fixed assets are stated at cost and are depreciated using the linear method on their estimated useful lives. Depreciation durations are the following:

Office equipment	5 years
Hardware	3 years
Software	3 years
Development cost	5 years

2.4 Payables

Trade payables and other current liabilities are carried at their nominal value.

3. Disclosure on balance sheet and income statement items

3.1 Long term interest bearing loan from shareholder

The Company's financial statements presented a shareholder's deficit (i.e. excess of liabilities over assets) as at March 31, 2020. In light of the article 725, paragraph 2 of the Swiss Code of Obligations, on June 19, 2020, the Company entered into a subordination agreement with its shareholder at the time, SOFGEN Holdings Limited, for a total amount of CHF 6,500,000.

In August 2020, SOFGEN Holdings Limited decided to waive the subordinated claim together with other open payable balances (note 3.3).

3.2 Share capital

The share capital includes 1,700 registered shares of CHF 1,000, fully paid-in.

3.3 Non-operating income

	2021	2020
Waiver obtained from intercompany and shareholder debt	8,764,838	-
Tax / insurance /sponsorship refunds	177,568	192,730
Other	246,689	52,040
Total	**9,189,095**	**244,770**

3.4 Non-operating expenses

	2021	2020
Write-off of intercompany receivables	(2,058,479)	(202,223)
Total	**(2,058,479)**	**(202,223)**

3.5 Long-term liabilities from third parties

The Company has obtained and used in 2020 a credit facility granted by the Swiss Government, i.e, a zero interest bearing COVID-19 credit amounting to CHF 500,000.

4. Other information

4.1 Pension scheme liabilities

On March 31, 2021, there was no liability to the pension scheme (31.03.2020: CHF 39,454).

4.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 250.

4.3 Assets pledged as guarantee for commitments of the company

Bank current accounts for an amount of CHF 1’202’351 are pledged in favour of the banks (31.03.2020 : CHF 967,024). Those pledges relate to performance guarantees (note 4.4).

4.4 Contingent liabilities

At year-end, the Company has provided performance guarantees for CHF 1,199,670 (31.03.2020 : CHF 751,111) in favour of clients.

4.5 Residual amount of leasing obligations

The maturity of leasing obligations which have a residual maturity of more than twelve months or which cannot be cancelled within the next twelve months is CHF 46,270 (31.03.2020 : CHF 156,648).

4.6 Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

	2021 CHF
Accumulated losses	(8,204,067)
Profit for the year	9,455,855
Available earnings	**1,251,788**

The Board of Directors proposes to the General Meeting of Shareholders the following appropriation of available earnings:

Transfer to the general legal retained earnings	62,589
To be carried forward	1,189,199
	1,251,788

Alexander Dembitz
Director
Date: July 8th,2021

Vivek Satish Agarwal
Director
Date: July 8th,2021

LCC NETWORK SERVICES B.V.

Managing Directors:
Mr. Sandeep Phadke
Mr. Santosh Narayan Gambhire

Registered Office:
Maanplein 20, Gebouw 8, (TP-8),
2516 CK, Den Haag,
The Netherlands

Bankers
Deutsche Bank Nederland N.V
De Entrée 99
1101 HE Amsterdam
The Netherlands.

LCC NETWORK SERVICES B.V.

BALANCE SHEET AS AT MARCH 31, 2021

	Note No.	31-03-2021	31-03-2020
Assets		**€**	€
Fixed assets			
Tangible fixed assets	(1)		4.399
Financial fixed assets	(2)		130.000
Total fixed assets			**134.399**
Current assets			
Inventoty			
Work in progress			
Receivables			
Accounts receivable from trade debtors	(3)		
Receivables from group companies	(4)		
Other receivables and prepaid expenses	(5)	1.500	5.506
Cash and cash equivalents		4.363	6.473
Total current assets		**5.864**	**103.851**
Deferred Tax asset		2.908.000	-
Total non current Assets		2.908.000	-
Total assets		**2.913.864**	**238.250**
Liabilities			
Stockholders' equity	(6)		
Issued capital		18.000	18.000
Paid-in surplus reserve		41.173.126	2.496.801
Retained earnings		-40.704.584	-38.983.515
Undistributed result		1.264.294	-1.721.069
Total stockholders' equity		**1.750.836**	**-38.189.783**
long-term debts			
Loan group company			30.305.643
Trade creditors		8.593	-12.900
Payable to group companies	(7)	146.874	6.989.240
Taxes and social premiums	(9)	989.161	987.117
Other current liabilities and deferred income	(10)	18.400	158.933
Total short-term debts		**1.163.028**	**8.122.390**
Total liabilities		**2.913.864**	**238.250**

INCOME STATEMENT FOR THE PERIOD APRIL 1, 2020 UNTIL MARCH 31, 2021

Amount in USD

	4/1/2020 Until 3/31/2021	4/1/2019 Until 3/31/2020
	€	€
Net sales		
Work contracted out and other external costs Gross margin		
Expenses		
Depreciation and amortization	4.399	5.977
Sales expenses	36	2.303
General expenses	81.215	38.029
	76.780	29.749
Operating result	76.780	29.749
Financial income and expense	12.273	64.680
Financial income on group companies	-1.732.758	-1.815.498
Result from normal operations before taxation	-1.643.705	-1.721.069
Deferred Tax Asset	2.908.000	0
Result on investments	0	0
Net result	**1.264.295**	**-1.721.069**

NOTES TO THE CORPORATE ACCOUNTS

General

The financial year will run from April 1st to March 31st.

Foundation

The company is seated in ‘s-Hertogenbosch, The Netherlands. The visiting address is the Maanplein 20, 2516 CK in The Hague, The Netherlands. LCC Network Services B.V. is registered atthe Chamber of Commerce under number 17145728.

The company is a private limited company where 100% of the shares are held by Tech Mahindra Limited as from 31st March 2021. Tech Mahindra Limited (incorporated in India) is the largest group in which the results of the Company are consolidated.

Application of Section 2, book 408 of the Netherlands Civil Code (BW)

Consolidation of the subsidiaries has not taken place based on the application of Section 2, book 408 of the Netherlands CMI Code (BW).

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES AND THE DETERMINATION OFTHE RESULT

General

The principles adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention. Insofar as not stated otherwise, assets and liabilities are shown at nominal value. The income and expenses are accounted for the period to which they relate. All amounts are in euro.

The financial statements have been prepared in accordance with Title 9 Book 2 of the Netherlands CMI Code.

Foreign currencies

Assets and liabilities expressed in foreign currencies are converted into Euros at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted at the rates approximating those in effect at the dates of the transactions. The resulting change differences are recognized in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are valued at cost less straight-line depreciation based on the useful lives of the assets concerned. Book results arising from disposals or retirements are added to or charged against depreciation in the result. As of January 2010the company changed the method of depreciation into a fiscal compliant method (fiscal depreciation).

Financial fixed assets

The receivables on and loans to subsidiaries and associates are initially valued at its fair value, and subsequently valued at amortized costs, which is similar to the face value, after deducting any provisions if necessary.

Inventory

Work in progress

Work in progress is valued according to the ‘percentage of completion’ method, which includes directwages, material and external costs, as well as a mark-up for general and administrative expenses, excludingselling expenses. Results are allocated in proportion to the progress made. Foreseeable losses are taken into account.

Stock

Stock is valued at purchase value of the goods/products.

Accounts receivable

Receivables are carried at face value less an allowance for bad debts. Other receivables and receivables from group companies

The receivables are initially valued at its fair value, and subsequently valued at amortized costs, which is similar to the face value, after deducting any provisions if necessary.

Cash and bank

cash and bank are valued at nominal value and are unless stated otherwise fully available for the company.

Short term liabilities

Short term liabilities are valued at amortized costs. The short term liabilities are settied within one year unless stated otherwise.

Revenue accounting

The company records the revenue from sales to the net tumover if there is convincing evidence of a sales agreement, when delivery has taken place, the price has been agreed or can be determined,and there is reasonable certainty that the selling price is collectable. Normally, these criteria are satisfied at the moment the product or the service is delivered an acceptance has been obtained, if required.

Net sales

Net sales represent income from goods delivered and services rendered to third parties, less reductions and sales tax.

Operating expenses

calculation of expenses to be allocated to the operations is based on historical cost Corporate income tax

Corporate income tax is calculated over the result for financial statement purposes at the nominal rate, meaning that deferred taxation is taken into account Deferred tax receivables are only taken into account if realization may be reasonably assumed.

The use of estimates

During the preparation of the financial statements, the management must, in accordance with the general prevailing principles, make certain estimates and assumptions that co-determine the stated amounts. The actual results may deviate from these estimates.

Notes to the balance sheet

1. Tangible fixed assets

Movement may be presented as follows:

	Equipment	Other fixed assets	Total
	€	€	€
Cost	133.984		133.984
Balance as at April 1,2020			
Additions during 2020/ 2021			
Disposals during 2020/ 2021			
Balance as at March 31,2021	133.984		133.984
Depreciation			
Balance as at April 1,2020	129.585		129.585
Depreciation for 2020/ 2021	4.399		4.399
Depreciation on disposals 2020/ 2021			
Balance as at March 31,2021			
Book value as at March 31,202			
Depreciation rates	20%		20%

2. Financial fixed assets

	31-03-2021	31-03-2020
Investments in LCC companies	**0**	0
Loan LCC Europe B.V. (The Netherlands)	**0**	0
Loan LCC Design & Deployment Services Ltd. (Greece)	**0**	1 30.000
Total	**0**	1 30.000

3. Accounts receivable from trade debtors

	31-03-2021	31-03-2020
Trade accounts receivable		0
Allowance for doubtful accounts		0
Balance		0

4. Receivables from group companies

Position relates to intercompany receivables with a duration < 1year. No interest in calculated because of the short term character of the positions.

5. Other receivables and prepaid expenses

	31-03-2021	31-03-2020
	€	€
Prepaid lease expenses		
Prepaid rent expenses		
Prepaid insurance		
Prepaid software expenses		4.006
Credit note for telephone costs to be received		
Others	**1 . 500**	1 . 500
Balance	**1 . 500**	1 . 500

6. Stockholders' equity

Movement may be presented as follows:

	Issued capital	Share premium	Retained earnings	Undistr. result	Total
	€	€	€	€	€
Balance April 1, 2019	18.000	2.496.801	-38.983.516	-1.721.068	-38.189.783
Changes in 2019/ 2020			-2.219.008	497.939	-1.721.069
Result 2019/ 2020					
Balance as per March 31, 2020	**18.000**	**2.496.801**	**-38.983.516**	**-1.721.068**	**-38.189.783**

Issued share capital

The authorized capital of LCC Network Services B.V. amounts to € 90.000,- divided into 90.000 common shares with a par value of € 1,- each. As at December 31" ,2004, 18.000 shares have been subscribed and paid up.

Share premium

The share premium comprises the proceeds from the issue of shares insofar as these exceed the nominal amount of the shares (proceeds above par). In 2006 an amount of C 2.409.000,- was additionally paid in. In 2009 dividend was paid to the shareholders for an amount of € 591.753,- and in 2010 for an amount of € 450.000,-. In 2013 the share premium increased with the profit made on the selling of shares of subsidiary LCC North Central Europe B.V. to LCC Europe B.V. The full amount of the share premium reserve can be considered as free share premium as referred to in the 1964 Income Tax Act The share premium is the difference between the net asset value as per transaction date and the sale price as determined by the parent company in the US. No goodwill is recognized because this transaction is treated like a transaction within the group.

Retained earnings

The share-based compensation represents stock options granted to management of the company that is initiated and settled by a group company.

Undistributed result

In anticipation of the Annual General Meeting's adoption of the annual accounts, it is proposed that the net result after tax over the period April 1,2019 until March 31,2020, amounting to € 1.721.069,- negative, will be deducted from the undistributed result.

7. Loan group company

	31-03-2021	31-03-2020
	€	€
Loan LCC Europe B.V. (The Netherlands)		30.305.643

The interest rate of the loan is 6%. No repayment schedule is agreed, so therefore the loan is to be considered as a long term loan

8. Payables to group companies

Position relates to intercompany payables with a duration < 1year. No interest was calculated because of the short term character of the positions.

9. Taxes and social premiums

	31-03-2021	31-03-2020
	€	€
VAT payable	989.161	987.117
Wage with holding taxes		
Balance	**989.161**	**987.117**

10. Other current liabilities and defenred income

	31-03-2021	31-03-2020
	€	€
Ziggo buyout compensation Invoices to be received Office rent discount		
Employee settlements	1.000	
Credit notes to be send		
Accountants cost	18.400	150.535
Insurances		
Lease- and fuel expenses		
Other accrued expenses		7.398
Balance	**8.400**	**1 58. 933**

Average work force

The average number of staff was 0 in 2020/2021 (2019/2020: OJ.

Commitments and contingencies not included in the balance sheet

Tax entity

LCC Network Services B.V. forms a fiscal unity together with the entities LCC Europe B.V. and LCC North Central Europe B.V.,The standard conditions stipulate that each of the companies is liable for the income tax payable by all companies belonging to the fiscal Unity.

Notes to the Income statement

11. Net sales

The net sales decreased till Zero compared to 2019/2020. This drop in revenue is related to no sales activities of business during 2020/2021.

12. Financial income on group companies

	31-03-2021	31-03-2020
	€	€
Interest loan LCC Europe B.V. (The Netherlands)	-1.740.088	-1.626.880
Interest loan LCC Design & Deployment Services Ltd. (Greece)	7.330	7.822
Total	**-1.732.758**	**-1.619.058**

The Hague, The Netherlands, dated 31st of May 2021

LCC Network Services B.V.:

Sandeep Phadke
Director

Santosh Narayan Gambhire
Director

OTHER INFORMATION

1. Auditor's report

The company has made use of the possibility for exemption from audit, accordingarticle 396, section 6 BW2.

2. Profit appropriation according to the Articles of Association

Article 19 of The Articles of Association state that the General Meeting of Shareholders must adopt the financial statements and Article 20 states that profit is at the disposal of the shareholders. These financial statements have been compiled in accordance with the requirements of the Articles of Association.

3. Proposed profit appropriation

In anticipation of the Annual General Meeting's adoption of the annual accounts, it is proposed that the net result after tax over the period April 1,2020 until March 31,2021,amounting to Cl.264.295,positive will be added to the other reserves. The result after tax for 2020/2021 is included in the item undistributed result in shareholders' equity.

4. Post balance sheet events

There were no events after the balance sheet date that provide further information on the actual situation at balance sheet date.

TECH MAHINDRA DRC SARLU

Board of Directors
Mr. Ayan Chatterjee
Mr. Sourabh Banerji

Registered Office
Immeuble Le Prestige, 1er Étage,
4239 Avenue Tombalbaye Commune de la Gombe,
Kinshasa, Rép. Dém. du Congo

Bankers
Citibank DRC

Auditors
GPO Partners SPRL

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

The directors submit their report together with the audited financial statements for the year ended 31st December 2020, which disclose the state of affairs of the company.

Principal Activity The principal activity of the company is to provide global solution on information technology to various sector of the economy. It is engaged in directing, operating, managing, investing in or provide telecommunication, networking, communication, internet information and other information technology related services.

Directors

The directors who held office during the year and to the date of this report were:

Mr. Sourabh Banerji Director (Indian)

Mr. Ayan Chatterjee Director (Indian)

Directors interests in contracts For the purpose of section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, none of the directors has notified the company of any direct or indirect interest in contracts or proposed contracts with the company during the year.

Donations and Charitable Gifts

There were no donations made during the year.

Human Resources

Employment of Disabled Persons The company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The company's policy prohibits discrimination of disabled person in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the company continues and appropriate training arranged to ensure that they fit into the company's working environment.

Health, Safety and welfare at Work

The company enforces strict health and safety rules and practices at work environment, which are reviewed and tested regularly. The company retains top-class private hospitals where medical facilities are provided for staff at the company's expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the company's premises. The company operates both Group Personal Accident and contributing to the Nigeria Social Insurance Trust Fund in compliance with the requirements of Employees Compensation Act (ECA), 2010. It also operates a contributory pension plan in line with the Pension Reform Act, 2004.

Employee Involvement and Training

The company ensures, through various form, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

By order of the Board

Ayan Chatterjee
Director

Date: February 12, 2021
Place: Kinshasa

DEMOCRATIC REPUBLIC OF CONGO

MINISTRIES OF FINANCE AND THE BUDGET

GENERAL DIRECTION OF TAxES

TAx OFFICE OF: ______________________________

STANDARD FINANCIAL STATEMENTS OF THE

OHADA ACCOUNTING SYSTEM (SYSCOHADA)

TAx YEAR ENDING ON 12/31/2020

COMPANY NAME

COMPANY NAME: (or full name of operator)	**TECH MAHINDRA DRC SARLU**
USUAL NAME :	**TECH MAHINDRA**
Complete Address :	**AV TOMBALAYE IMMEUBLE**
Taxpayer Identification N°	**A1103190F**

STANDARD SYSTEM

Documents submitted

Identification and information Sheet	X
Balance Sheet	X
Income Statement	X
Financial Table of Resources and uses	X
Attached report	X
Additional Statements	X
Number of pages submitted per copy...................... Number of copies submitted. 07....................................	

Réserved for the General Direction of Taxes

Date submitted
Name of the DGI Agent receiving the declarations Agent’s Signature and Departmental Stamp

CONDITIONS OF RECEIVABILITY

Companies using the forms:

- Use only standard forms
- Fill in each page legibly without shifting lines
- Do not create any extra lines
- Avoid any additional comments on the forms, attach a separate sheet for explanations
- Use only the codes indicated in the tables
- Use only black and white forms

Companies producing the financial statements with a computer tool :

- Reproduce verbatim the content of the standard printed forms
- Submit a tax declaration including: the identification and information sheet together with all financial statements corresponding to the accounting system
- Do not create any new lines
- Use only the codes indicated in the tables
- Use only black and white forms.

Company Name **TECH MAHINDRA DRC SARLU**

Address: AV TOMBALAYE IMMEUBLE LE PRESTIGE 1ER ETAGE Sigle usuel : **TECH MAHINDRA**

Taxpayer Identity N° **A1103190F** Year ending on: **12/31/2020** Duration (in months) : **12**

ADMINISTRATORS ([1])

Family Name	First Name	Position	Taxpayer Identity N°	Address (BP, city, country)
SHAH	HEENA			AV TOMBALAYE IMMEUBLE LE PRESTIGE

([1]) Administrators = Chairman and Executive Officer, Managing Director, General Administrator, Manager, Others.

SHAREHOLDERS OR MAIN ASSOCIATES (by decreasing order of capital subscribed to)

Family Name	First Name	Nationality		Capital	
				Amount (millions FCFa)	%
TECH MAHINDRA LIMITED		Indian		90,50	100%
			TOTAL		

BOARD MEMBERS

Family Name	First Name	Job Position	Address (BP, city, country)
BANERJI	SOURABH	GM	KINSHASA
CHATTERJEE	AYAN	FM	GHANA

AFFILIATED COMPANIES AND PARTICIPATIONS

Designation	Nationality		Capital	
			Amount (millions FCFa)	%
		TOTAL		

TABLE OF CODES

1 - Code for legal form (1)		
Société Anonyme (SA) à participation publique	0	0
Société Anonyme (SA)	0	1
Private Limited Company (SARL)	0	2
Limited Partnership (SCS)	0	3
Partnership (SNC)	0	4
Joint Venture Company (SP)	0	5
Groupement d'Intérêt Economique (GIE)	0	6
Association	0	7
Other legal form (to be specified)	0	8
2 - Tax Regime Code		
Actual Standard		1
Actual Simplified		2
Summary Statement		3
Lump sum tax payment		4

3 - Code of the country of the headquarters			
UEMOA countries (2)	(REGION)		
CEMAC countries (3)	(REGION)		
Other OHADA countries (4)	(REGION)		
Other African countries		2	1
Switzerland		2	2
France		2	3
Other European Union countriesEuropéenne		3	9
U.S.A.		4	0
Canada		4	1
Other American countries		4	9
Asian countries		5	0
Other countries		9	9
(Monetary Zone= Cfa Franc Zone)			

(1) Replace the first 0 by 1 if the company benefits from a priority agreement

(2) Benin = 01 ; Burkina = 02 ; Côte d'Ivoire = 03 ; Guinea Bissau = 04 ; Mali = 05 ; Niger = 06 ; Senegal = 07 ; Togo = 08

(3) Cameroon = 09 ; Central African Republic = 10 ; Congo = 11 ; Gabon = 12 ; Equatorial Guinea = 13 ; Chad = 14

(4) Comores = 15 ; Guinea Conakry = 16

4 - ECONOMIC ACTIVITY CODE

Food Agriculture
001 001 Cereal crop
001 002 Growing of tubers and plantains
001 003 Growing vegetables
001 004 Growing seasoning plants
001 005 Fruit growing
001 006 Growing other food products

Industrial Agriculture and Exports
002 001 Growing sugar cane
002 002 Growing oil mill peanuts
002 003 Growing ground nuts for eating
002 004 Growing tobacco
002 005 Growing cotton
002 006 Growing wheat
002 007 Growing cocoa
002 008 Growing coffee
002 009 Growing bananas for export
002 010 Growing pineapple for export
002 011 Other industrial food crops
Livestock Raising and Hunting
003 001 Raising Cattle
003 002 Raising sheep, goats, horses
003 003 Raising chickens
003 004 Other livestock
003 005 Hunting
Tree Plantations, Logging
004 001 Tree plantations
004 002 Logging
Fishing and Aquaculture
005 001 Fishing

005 002 Other fisheries and aquaculture
Extractive Industries
006 001 Extraction of Hydrocarbons
006 002 Extraction of other products
Production of Meat and Fish
007 001 Production of meat and meat products
007 002 Production of fish and fish products
Grain Processing and Manufacturing of Starchy Products
008 000 Grain processing and manufacturing of starchy products
Transformation of coffee and cocoa
009 001 Transformation of coffee
009 002 Transformation of cocoa
Oilseed Industry
010 001 Crude oils and meals
010 002 Other fats
Bakeries, cake shops and Pasta food

011 001 Production of bread, biscuits and pastry
011 002 Production of pasta

Dairy Industries
012 000 Dairy Industries
Fruit and vegetable processing and manufacturing of other food products
013 001 Sugar manufacturing
013 002 Manufacturing of products based on fruits and vegetables
013 003 Manufacturing of other food products

Beverage Industry
014 001 Breweries and Malting Plants
014 002 Manufacturing of other alcoholic beverages
014 003 Production of Non-alcoholic and alcoholic beverages and mineral water

Tobacco Industry
015 000 Tobacco industry
Textile and clothing Industries
016 001 Textile Industries
016 002 Clothing Industries
Leather and footwear Industries
017 001Manufacture of leather and leather articles
017 002 Footwear manufacturing
Wood Industries
018 001 Sawing, planing and impregnation of wood
018 002 Wood panel manufacturing
018 003 Manufacture of assembled wood articles
Paper and cardboard Industries publishing and printing
019 001 Paper and cardboard Industries
019 002 Publishing, printing and reproduction
Oil Refining
020 000 Oil refining
Chemical Industry
021 001 Basic chemical industries
021 002 Manufacture of soaps, detergents and cleaning products
021 003 Manufacture of agro-chemical products

021 004 Pharmaceutical Industries
021 005 Manufacture of other chemical products
Rubber and Plastic Industries
022 001 Natural Rubber manufacturingFabrication du caoutchouc naturel
022 002 Rubber Industries
022 003 Manufacture of plastics
Manufacture of other non-mineral products, metal and construction materials
023 001 Glass Industries
023 002 Manufacture of mineral products for construction
023 003 Manufacture of other mineral and non-metallic products
Métallurgy and Metal working
024 001 Métallurgy
024 002 Metalworking
Manufacture of machines, equipment and electric appliances
025 001 Manufacture of machines and equipment
025 002 Manufacture of office machines
025 003 Manufacture of electrical appliances
Manufacture of audio-visual and communicationequipment and apparatuses ; Manufacture of medical and optical instruments and watchmaking
026 001 Manufacture of audiovisual and communication equipment and appliances
026 002 Manufacture of medical and optical instruments and watchworking
Manufacture of Transportation equipment
027 001 Manufacture of Road vehicules
027 002 Manufacture of other transport machines and equipment
Various Industries
028 001 Furniture manufacturing
028 002 Miscellaneous Industries
Production and distribution of water, electricity and gas
029 001 Production, transportation and distribution of electricity
029 002 Water collection, purification and distribution
029 003 Production and distribution of gas

Construction
030 001 Site Preparation and construction, of buildings or civil engineering works
030 002 Installation and finishing work
Trade
031 001 Sale of vehicles, accessories and fuel

031 002 Trade in unprocessed agricultural products and live animals
031 003 Other businesses
Repairs
032 001 Automobile maintenance and repair

032 002 Repair of personal household property

Hotels, Restaurants
033 001 Hotels
033 002 Bars and restaurants
Transport and Communication
034 001 Rail Transport
034 002 Road Transport with a driver

034 003 Water Transportation
034 004 Air Transport
034 005 Ancillary and auxiliary Services of transportation
Postal and telecommunication services
035 001 Postal
035 002 Télécommunications
Financial ActivitiesActivités financières
036 001 Financial Intermediation Services

036 002 Insurance (except Social Security)
036 003 Financial and insurance auxiliary services
Real Estate Activities
037 001 Rental of Real Estate
037 002 Other real estate services
Business Services
038 001 Rentals without operators
038 002 Computer Activities
038 003 Services rendered mainly to companies

Public Administration
039 001 General Administration, economic and social services
039 002 Services of public prerogative
039 003 Obligatory Social Security
Education
040 000 Education
Health and Social Work
Activities for people's health
041 002 Veterinarian activities
041 003 Social work
Community, social and personal Services
042 001 Sewerage, roads and wastewater and waste products management

042 002 Associative Activities
042 003 Recreational and cultural activities and all sports activities
042 004 Personal Services
042 005 Domestic Services
Financial Intermediation Services measured indirectly
043 000 Financial intermediation Services measured indirectly
Territorial Correction
044 000 Territorial Correction

Company Name **TECH MAHINDRA DRC SARLU**

Address: AV TOMBALAYE IMMEUBLE LE PRESTIGE 1ER ETAGE — Sigle usuel : **TECH MAHINDRA**

Taxpayer Identity N° **A1103190F** — Year ending on: **12/31/2020** — Duration (in months) : **12**

ZA ACCOUNTING YEAR : DU **1/1/2020** AU **12/31/2020**

ZB EXACT DATE ACCOUNTS CLOSED: **12/31/2020**

ZC PRECEDING TAX YEAR CLOSED ON : **12/31/2019** DURATION OF PRECEDING TAX YEAR IN MONTHS: **12**

ZD Registrar — N° Trade Register: **CD-KIN-RCCM-15-B-6581** — Company Repertory N°:

ZE Social Security N°: **............** — N°Importer Code: — Main Activity Code: **...................**

ZF Désignation de l'entreprise: **TECH MAHINDRA DRC SARLU** — Abbreviation: **TECH MAHINDRA**

ZG Telephone N°: **+2348122872909** — Fax N°: — Code: **....** — Postal Box: **.....** — City: **KINSHASA**

ZH Complete Geographic address (Building, street, quarter, city, country)

ZI **GESTION CONSEIL ET FOURNITURE DE SYSTÈME DE TELECOMMUNICATION**
Specific designation of the main activity carried out by the company — % capac. prod. Used

AYAN CHATERJEE, , 68A, COSHARIS PLAZA - LAGOS
Name, address and position of person to contact if additional information is needed.

....
Name of professional accountant employed by the company or
Name, address and telephone N° of Accounting Firm or Professional inscribed in the NATIONAL ORDER
OF CERTIFIED PUBLIC AND ACCREDITED ACCOUNTANTS who prepared the financial statements.

Names and addresses of the Auditor or Auditors

☐ Not subject to tax ☐ No, (refused) ☐ yes with reservations ☐ Yes withc reservatic
Certified Financial Statements (tick the box)

☐ Not subject to tax ☐ No ☐ Yes
Financial Statements approved by the General Assembly (tick the box)

HEENA SHAH
Name of the Signatory of the Financial Statements

GERANT STATUTAIRE
Title of the Signatory of the Financial Statements

Date of signature

Signature

Company bank account:

Bank :	Account Number
CITIBANK KINSHASA	***100041103***

FIRD
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Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Sigle usuel : **TECH MAHINDRA**

Taxpayer Identity N° **A1103190F** Year ending on: **12/31/2020** Duration (in months) : **12**

				Contrôle de l'entreprise (cocher la case)	
ZK	Forme juridique (1) :	O 2	ZQ	Entreprise sous contrôle public	☐
ZL	Régime fiscal (1) :	1	ZR	Entreprise sous contrôle privé national	☐
ZM	Pays du siège social (1) :	1 1	ZS	Entreprise sous contrôle privé étranger	X
ZN	Nombre d'établissements dans le pays :	O 1			
ZO	Nombre d'établissements hors du pays pour lesquels une comptabilité distincte est tenue :	O O			
ZP	Première année d'exercice dans le pays :	2 O 1 2			

ACTIVITE DE L'ENTREPRISE

Designation of Activity (2)	**Activity Code (1)**	**Turnover HT (CA HT) (3) or Added Value (VA)**	**% of activity in turnover CA HT or VA**
GESTION CONSEIL ET FOURNITURE DE SYSTÈME DE TELECOMMUNICATION	0 3 1		
Miscellaneous			
	TOTAL		

(1) Refer to the table of codes.
(2) List specifically the activities in decreasing order of turnover (C.A. HT, or value added (V. A.).
(3)Delete as appropriate (preferably use V.A.).

BILAN

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP Abbreviated as : ____________________

Taxpayer Identity **N°** _______________ Year ending on: **12/31/2020** Duration (in months) : **12**

Ref.	**ASSETS**	**Year N**			**Year N–1**
		Gross	**Amort/Prov**	**Net**	**Net**
	FIxED ASSETS (1)				
AA	**Fixed Charges**				
AX	Cost of Setting up the company				
AY	Charges to be distributed				
AC	Redemption Premiums on Bonds				
AD	**Intangible Assets**				
AE	Research and Development Expenses				
AF	Patents, Licenses, Software				
AG	Intangible value of the business				
AH	Other immobilisations				
AI	**Tangible Assets**				
AJ	Land Parcels				
AK	Buildings				
AL	Installations and Furnishings				
AM	Equipment				
AN	Transportation Equipment				
AP	Advances and partial payments towards assets				
AQ	**Permanent Financial Investments**				
AR	Shares of participation				
AS	Other financial investments	**1,961**		**1,961**	**3,015,001,447**
AW	(1) including H. A. O. : Gross				
	Net				
AZ	**TOTAL FIxED ASSETS (I)**	**1,961**		**1,961**	**3,015,001,447**

Standard Balance Sheet
PAGE 2/4

BILAN

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Ref.	ASSETS	Fiscal Year N			Ex. N - 1
		Gross	Amort/Prov	Net	Net
AZ	Total Fixed Assets carried over	1,961		1,961	3,015,001,447
	Current Assets				
BA	Current Assets for Other Activities (H.A.O.)				
BB	**Stocks**				
BC	Merchandise				
BD	Raw materials and other supplies				
BE	Current orders				
BF	Manufactured Products				
BG	**Receivables and assimilated realizations**				
BH	Suppliers, advances paid up	109,521,051		109,521,051	58,379,223
B I	Clients	655,497,115		655,497,115	111,855,025
BJ	Other receivables	240,111,524		240,111,524	612,172,121
BK	**TOTAL CURRENT ASSETS (II)**	1,005,129,690		1,005,129,690	782,406,369
	CASH FLOW ASSETS				
BQ	Investments in Securities				
BR	Checks and Bills awaiting collection				
BS	Banks, postal checks, cash	4,646,418,776		4,646,418,776	1,080,318,504
BT	**TOTAL TREASURY ASSETS (III)**	4,646,418,776		4,646,418,776	1,080,318,504
BU	Losses from Foreign Exchange-Assets (IV) (probable loss from foreign currency exchange)				
BZ	**GENERAL TOTAL (I + II + III + IV)**	5,651,550,427		5,651,550,427	4,877,726,320

BILAN

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Ref.	LIABILITIES (before distribution)		Year N	Year N - 1
	Shareholders' Equity and Assimilated Resources			
CA	**Company Capital**			
CB	Shareholders uncalled subscribed capital		**90,500,000**	90,500,000
CC	**Premiums and reserve funds**			
CD	Share premiums, Issue premiums, Merger premiums			
CE	Re-evaluation differences			
CF	Frozen unavailable reserve funds			
CG	Free reserve funds			
CH	to be carried over	+ or -	**-3,669,213,350**	-4,266,299,798
C I	**Net results from the fiscal year**	(profits + or losses -)	**-1,191,906,302**	500,127,727
CK	**Other Shareholders' Equity**			
CL	Investment Subsidies			
CM	Regulated Provisions and Assimilated Funds			
CP	**TOTAL SHAREHOLDERS' EQUITY (I)**		**-4,770,619,652**	-3,675,672,071
	Financial Debts and Assimilated Resources (1)			
DA	Loans			
DB	Debts from financial leases and assimilated contracts			
DC	Various financial debts			
DD	Financial provisions for risks and charges			
DE	(1) including H. A. O.:			
DF	**TOTAL FINANCIAL DEBTS (II)**			
DG	**TOTAL STABLE RESOURCES (I + II)**		**-4,770,619,652**	-3,675,672,071

Standard Balance Sheet
PAGE 4/4

BILAN

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE   Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F   Year ending on: **12/31/2020**   Duration (in months) : **12**

Ref.	LIABILITIES (before distribution)	Year N	Year N - 1
DG	Total Stable Resources carrie over	**-4,770,619,652**	-3,675,672,073
	CURRENT LIABILITIES		
DH	Current Debts for other activities and Assimilated resources H.A.O.		
D I	Clients, advance payments received	**230,605,810**	
DJ	Suppliers for Operations	**142,654,296**	130,446,849
DK	Fiscal Debts	**66,673,821**	68,290,327
DL	Social Security Debts (CNSS)	**9,982,236,152**	8,354,661,214
DM	Other Debts		
DN	Provisioned Risks		
DP	**TOTAL CURRENT LIABILITIES (III)**	**10,422,170,079**	8,553,398,391
	CASH FLOW: LIABILITIES		
DQ	Banks, discounted credit		
DR	Banks, cash flow credit		
DS	Banks, overdrafts		
DT	**TOTAL TREASURY-LIABILITIES (IV)**		
DU	**Gains from foreign currency exchange-liabilities (V)** (probable gains from exchange)		
DZ	**GENERALTOTAL (I + II + III + IV + V)**	**5,651,550,427**	4,877,726,320

Standard Income Statement System
PAGE 1/4

INCOME STATEMENT

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE   Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F   Year ending on: **12/31/2020**   Duration (in months) : **12**

Ref.	**CHARGES (First Part)**		**Year N**	**Year N - 1**
	OPERATING ACTIVITIES			
RA	Purchase of Goods			
RB	- Variation of stocks	(- ou +)		
	(Gross Margin on goods, see TB)			
RC	Purchase of Raw Materials and related supplies			
RD	- Variation de stocks	(- ou +)		
	(Gross Margin on Materials, see TG)			
RE	Other purchases			
RH	- Variation in stocks	(- or +)		
RI	Transportation			**49,772,258**
RJ	External Services		**42,882,019**	**70,301,314**
RK	Taxes and fees			
RL	Other charges			
	(Added Value, see TN)			
RP	Charges for personnel (1)			
RQ	(1) including external personnel			
	(Gross surplus from operations, see TQ)			
RS	Charges for amortization and Provisions			
RW	**Total Operating Charges**		**42,882,019**	**120,073,572**

(Operating Results, see TX)

Standard Income Statement System
PAGE 2/4

INCOME STATEMENT

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Ref.	INCOME (First Part)			Fiscal Year N	Fiscal Year N - 1
	OPERATING ACTIVITIES				
TA	Sale of Goods				
TB	**Gross Margin on Goods**				
TC	Sale of manufactured goods				
TD	Works, services sold				
TE	Stored Production (or decrease in stock) (+ or -)				
TF	Immobilized Production				
TG	**Gross Martin on Materials**				
TH	Accessory Income				
T I	Turnover (1) (TA + TC + TD + TH)				
TJ	(1) including from exports				
TK	Subsidies for operations				
TL	Other Income				236,219,179
TN	**Value Added**	**-42,882,019**	**116,145,608**		
TQ	**Gross Surplus from Operations**	**-42,882,019**	**116,145,608**		
TS	Reversals of Provisions				
TT	Transfer of charges				
TW	**Total income from operations**				236,219,179
Tx	**OPERATING RESULTS** Profits (+) ; Losses (-)	**-42,882,019**	**116,145,608**		

INCOME STATEMENT

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Ref.	CHARGES (Second Part)	year N	year N - 1
RW	Total carry over of operating costs	**42,882,019**	120,073,571
	Financial Activity		
SA	Financial expenses	**1,480,107,680**	
SC	Losses from Currency Exchanges		
SD	Charges tied to amortization and provisions		
SF	**Total Financial Charges**	**1,480,107,680**	
	(Financial Results, see UG)		
SH	**Total from Regular Activities**	**1,522,989,699**	120,073,571
	(Results from ordinary activities: see UI)		
	Excluding Ordinary Activities (H.A.O.)		
SK	Accounting values from transfers of fixed assets		
SL	Charges H.A.O.		
SM	Allocations H.A.O.		
SO	**Total Charges H.A.O.**		
	(Results H.A.O. see UP)		
SQ	Participation of Workers		
SR	Taxes on Results	**-1,538,294**	71,970,422
SS	**Total participation and taxes**	**-1,538,294**	71,970,422
ST	**GENERAL TOTAL CHARGES**	**1,521,451,405**	192,043,995
	(Net Results, see UZ)		

Standard Income Statement System
PAGE 4/4

INCOME STATEMENT

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Ref.	INCOME (Second Part)				Fiscal Year N	Fiscal Year N - 1
TW	Report Total Carry over of Operating Income					236,219,179
	FINANCIAL ACTIVITY					
UA	Financial Revenue				**329,545,103**	455,952,543
UC	Gains from Currency Exchange					
UD	Recovery of Provisions					
UE	Transfer of charges					
UF	**Total Financial Income**				**329,545,103**	455,952,543
UG	**FINANCIAL RESULTS**	(+ or -)	**-1,150,562,577**	**455,952,541**		
UH	**Total income from ordinary activities**				**329,545,103**	692,171,722
U I	**Results from Ordinary Activities (1)**	(+ or -)	**-1,193,444,596**	**-572,098,150**		
UJ	1.including corresponding tax : **-1,538,294**					
	Excluding Ordinary Activities (H.A.O.)					
UK	Income from transfer of fixed assets					
UL	H.A.O. Income					
UM	H.A.O. Reversals or recoveries					
UN	Transfer of charges					
UO	**Total income H.A.O.**					
UP	Results H.A.O.	(+ or -)				
UT	**GENERAL TOTAL INCOME**				**329,545,103**	692,171,722
UZ		**Net Results** Gains (+) ; Losses (-)	**-1,191,906,302**	**500,127,727**		

Standard TAFIRE System
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Financial Table of Resources and Applications (TAFIRE)

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

First Part: Determination of the financial balances of the Fiscal Year N

General Self-financing Capacity (C.A.F.G.)

CAFG = EBE
– Remaining Cash Charges} excluding transfers
+ Remaining Cashable Income} of fixed assets

		E.B.E.	
(SA) Financial Charges	**1,480,107,680**	(TT) Transfers of operating charges	**- 42,882,019**
(SC) Exchange losses		(UA) Financial Income	**329,545,103**
(SL) H.A.O. Charges		(UE) Transfers of Financial charges	
(SQ) Participation		(UC) Gains in currency exchange	
(SR) Taxes on results	**-1,538,294**	(UL) H.A.O. Income	
		(UN) Transfers of H.A.O. charges	
Total (I)	**1,478,569,386**	Total (II)	**286,663,084**

CAFG : Total (II) - Total (I) = **-1,191,906,302** (N - 1) : **500,127,727**

SELF-FINANCING (A.F.)

AF = CAFG - Distributions of dividends during the fiscal year (1)

AF = **-1,191,906,302** **-** = **-1,191,906302** (N - 1) : **500,127,727**

Variation in the need to finance operations (B.F.E.)
Variation B.F.E. = Variation Stocks (2) + Variation receivables (2) + Variation current debts (2)

Variation of stocks : N - (N - 1)	Increase in Jobs (+)		Decrease in Resources
(BC) Goods		ou	
(BD) Raw Materials		ou	
(BE) Current		ou	
(BF) Manufactured Products		ou	
(A) General Net Variation in Stocks		**ou**	

(1) Dividends earmarked for payment during the fiscal year, including partial payments on dividends.
(2) Excluding H.A.O. elements

Standard TAFIRE System
PAGE 2/4

Financial Table of Resources and Applications (TAFIRE)

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Variation in Receivables: N - (N - 1)	Increase in Jobs (+)		Decrease in Resources (-)
(BH) Suppliers, advances paid		ou	**51,141,828**
(B I) Clients		ou	**543,642,090**
(BJ) Other receivables	**372,060,597**	ou	
(BU) Differences in Exchange conversion: Assets		ou	
(B) General Net Variation in Receivables		**ou**	**222,723,321**

Variation of Current Debts : N - (N - 1)	Decrease in Jobs (-)		Increased Resources (+)
(D I) Clients, advance payments received	**230,605,810**	ou	
(DJ) Suppliers for Operations	**12,207,447**	ou	
(DK) Fiscal Debts		ou	**1,616,506**
(DL) Social Debts	**1,627,574,937**	ou	
(DM) Other debts		ou	
(DN) Provisioned Risks		ou	
(DU)Differences resulting from conversion: Liabilities		ou	
(C) Total Net Variation of Current Debts	**1,868,771,688**	ou	
VARIATION of B.F.E. = (A) + (B) + (C)	**1,646,048,367**	ou	

Surplus operational Treasury (E.T.E.)

ETE = EBE - Variation BFE - Immobilized Production

		N	**N - 1**
Gross Operating Surplus		**-42,882,019**	116,145,607
- Variation of B.F.E.(- if jobs ; + if resources)	(- ou +)	**-1,646,048,367**	-977,116,084
- Production of Capital Goods		-	-
Surplus operations Treasury		**-1,688,930,386**	-860,970,477

Standard TAFIRE System
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Financial Table of Resources and Applications (TAFIRE)

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Ref.		Year N		Year N - 1
		Jobs	**Resources**	**(E - ; R +)**
	I. Investments and Disinvestments			
FA	Capitalized charges (increases during the fiscal year)		////////////////	
	Internal Growth			
FB	Acquisitions/Transfers of Intangible Assets			
FC	Acquisitions/Transfers of Tangible Assets			
	External Growth			
FD	Acquisitions/Transfers of Financial Assets	**1,961**	**3,015,001,447**	
FF	**TOTAL INVESTMENTS**	**1,961**	**3,015,001,447**	
FG	II. Variation in Financing Needs for Operations (see above: Variation B.F.E.)			
FH	**A - Economic Applications to be financed (FF + FG)**	**1,961**	**3,015,001,447**	
F I	**III. Applications / Resources (B.F., H.A.O.)**	ou	**–**	
FJ	**IV. Obligatory Financial Applications (1)**		////////////////	
	Reimbursement (according to payment schedules) of loans and financial debts			
	(1) Excluding early reimbursements included in VII			
FK	**B -Total Applications to be Financed**		**3,014,999,486**	

Financial Table of Resources and Applications (TAFIRE)

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Réf.			**Year N**		**Year N - 1**
			Applications	**Resources**	**(E - ; R +)**
	V. Internal Financing				
FL	Dividends (applications) / C.A.F.G. (Resources)			-1,191,906,302	
	VI. Financing by shareholders' equity				
FM	Increases in capital through new contributions			96,958,721	
FN	Investment Subsidies				
FP	Withdrawals from the capital (including withdrawals by the operator)				
	VII. Financing through new loans				
FQ	Loans (2)				
FR	Other financial debts (2)				
	(2) Early reimbursements inscribed separately in applications				
FS	**C - Net Financing Resources**			3,566,100,272	
FT	**D - Surplus or insufficiency of Financing Resources (C - B)**		3,566,100,272 ou		
	VIII. Variation in the Treasury				
	Net Cash Flow				
FU	at the closing of the fiscal year: + or -	4,646,418,776			
FV	at the opening of the fiscal year: + or -	1,080,318,504			
FW	**Variation in the treasury : (+ if an application ; - if resources)**	3,566,100,272	ou	3,566,100,272	1,080,318,504
	Control : D = VIII with the opposite sign				

Note : I, IV, V, VI, VII : in terms of movements ; II, III, VIII : balance sheet differences

CONTROL (based on balance sheet results N and N - 1)		**Applications**	**Resources**
Variation of the working capital (F.d.R.)	: FdR(N) - FdR(N - 1)	or	
Variation of total B.F. (B.F.G.)	: BFG(N) - BFG(N - 1)	or	
Variation of the treasury (T)	: T(N) - T(N - 1)	3,566,100,272 or	
	TOTAL	**3,566,100,272 =**	

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

ANNEX TO THE STANDARD SYSTEM

N. B. : If you do not have sufficient space reserved here below, please continue on a separate sheet of paper that you can attach at the end of the balance sheet.

I - OBLIGATORY INFORMATION:

A - RULES AND ACCOUNTING METHODS :

I - A1 General Methods of Evaluation applied by the Company :

I - A2 Specific Methods of Evaluation Applied by the Company:

EMPTY

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

I - A3 Derogations used by the Company : please show justification for choices made and, if required, explain the impact on the company capital, the financial situation and the annual results of the company.

EMPTY

I - A4 Methods of Presentation applied by the company, with mention of modifications intervening from one fiscal year to the next:

EMPTY

I - A5 Derogations to the rules of presentation used by the company: Please justify any changes with an indication of their impact on the patrimony, the financial situation and the annual results of the company.

EMPTY

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

B - Additional Information related to the Balance Sheet and Income Statement

I - B1 Exceptional Circumstances that may distort the comparison between the financial statements from one fiscal year to the next :

EMPTY

I - B2 Information on the revaluations applied by the company :

Nature and dates of the revaluations :

EMPTY

Revaluation of elements according to balance sheet item		Amounts of historical costs	Additional Depreciation

Method of Revaluation used :

EMPTY

Tax treatment of differences in revaluation and additional depreciation :

EMPTY

Amount of difference incorporated into the capital :	

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

I - B3 DEBTS GUARANTEED BY REAL AND VALUABLE SECURITY :

	Gross Amount	Real Security		
		Mortgages	Pledges	Other guarantees
Financial Debts and Assimilated Resources Convertible Bond Issues Other bond issues Loans and debts from credit establishments Other financial debts	EMPTY			
TOTAL (1)				
Finance Lease Debts for property finance lease arrangement Debts for leasing of equipment Debts on assimilated contracts	EMPTY			
TOTAL (2)				
Debts on Current Liabilities : Suppliers and related accounts Clients Personnel Social Security and social agencies State International Agencies Associates and the Group Various Creditors	EMPTY			
TOTAL (3)				
TOTAL (1) + (2) + (3)				

I - B4 Financial Engagements :	**Engagements Granted**	**Engagements Received**
Engagements granted to related companies Engagements taken on as pensions or assimilated indemnities Endorsements, deposits and guarantees Mortgages, pledges, and other guarantees Discounted bills pending maturity Professional Commercial debts that have been transferred Abandonment of contingent debts or receivables		
TOTAL		

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I - B5 Elements making up the Valuation of business activities as an asset :	**Amount**
Clientele	
Sale of goodwill	
Leasehold rights	
Trade Name	
Brand	

Means of accounting for the depreciation of business activities as an asset :

EMPTY

I - B6 Comments on eventual derogations from the rules in terms of research and development expenditure based on depreciation over a period included between two and five years:

EMPTY

Based on the non distribution of dividends before having completed the depreciation.

EMPTY

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I - B7 Contracts having a title retention clause :

I - B7 - A: Goods included in the Assets that are the object of the title retention clause	Amount due
EMPTY	

I - B7 - B: Debts based on the title retention clause :	Amount of transactions
EMPTY	

I - B8 Significant difference of evaluation of each item that is interchangeable with the current assets	Evaluation according to the method used	Evaluation of the last market price known	Difference in the evaluation
EMPTY			

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I - B9 Specifications on the nature, amount and accounting methods :

I - B9 - A : Establishment costs (1) :

(1) Indicate an eventual derogation from the prohibition of distributing dividends

I - B9 - B : Charges to be apportioned over several fiscal years :

I - B10 Explain the calculation method of partial profits over operations covering several years, or covering a minimum of two fiscal years:

EMPTY

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I - B11 : Provide information on the results of operations done with another party: losses incurred, profits transferred, profits recorded,

EMPTY

I - B12 - Elements of information required for the National Statistics

I - B12 - 1 : Detail of Products :	**Amount in country**	**Amount in other countries of the Region**	**Amount outside the Region**
Fees for patents, concessions, permits, brands, trademarks and similar rights:			
Fees for agricultural land rental:			

	Amount
Operating Subsidies on products :	
Portion for research and development charges in capitalized production	
Portion of mining and petroleum exploration costs in the capitalized production	
Financial income: revenue from participations	
Financial income: earnings from transferred investment securities	
Financial income: portion from interest payments received during the fiscal year	
Attendance fees and other payments granted to the board directors	

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I - B12 - 2 : Detail of income from other than Ordinary Activities :	**Amount**

I - B12 - 3 : Nature of transfers of charges according to the charge category concerned:	**Amount**
TOTAL	

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I - B12 - 4 DETAIL OF CHARGES :	**Amount**
Transportation charges on purchases	
Transportation charges on sales	
Insurance premiums	
Fees for patents, concessions, permits, trademarks and similar rights	
Fees on the rental of agricultural land	
Social Contributions	
Grants or donations	
Actual paid out social security charges	
An assessment charged	
Gross salaries and wages	-
Taxes and fees charged on products	
Property taxes	
Losses from customer receivables	
Losses from the transfer of investment securities	
Provision for depreciation of capital assets	
Charges provisioned for the depreciation of investment securities	
Interests due and paid up	
Attendance fees and other payments for Board directors	

I - B12 - 5: Contents of the items concerning the charges from other than ordinary activities (H.A.O.) :	Amount
TOTAL	

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C - : SPECIFIC INFORMATION:

I - C1 Used goods acquired :	**Amount in country**	**Amount in other states of the region**	**Amount Outside region**

I - C2 Acquisitions and transfers of works of art :	**Amount of acquisitions**	**Amount of transfers**

I - C3 : Initial scheduled instalments of receivables covering a maximum of two years :	**Maturities**

I - C4 : Initial scheduled instalments of receivables covering two years or more	**Maturities**

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I - C5 : Initial scheduled instalments of debts covering a maximum of two years:	**Maturities**

I - C6 : Initial scheduled instalments of debts covering over two years	**Maturities**

I - C7 : Amount of the VAT :	**Invoiced**	**Recuperable**	**Paid but non deductible**

D - For Companies :

I - D1 Composition of share capital : Nominal value of shares : **10,000**

Full name	Nationality	Shares or stocks	O or ADP (1)	Number	Amount Total	Transfers or reimbursements during the year
		TOTAL				

(1) O : ordinary, ADP without voting rights.

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I - D2 List of Affiliated companies and participations :

Corporate Name	Location (city/country)	% Detained	Amount of shareholders' equity	Results from the last fiscal year

I - D3 : Advances and credit granted to the associates and company directors

Family Name	First Name	Maturity	Rate	Duration	Amount granted during the fiscal year	Amount reimbursed during the fiscal year

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II - INFORMATION OF SIGNIFICANT IMPORTANCE :

A - INFORMATIONS DIVERSES :

	Nature	Tax Regime	Maturities
II-A1-A: Investment Grants			
II - A1 - B: Regulated Provisions :			
	WITHDRAWN		**3 years**

II - A2 Exchange Differential	Nature	Amount	Currency	Maturities
A - Receivables :				
B - : Debts :				

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II - A3: Evaluation based on market prices of the last month of the fiscal year of the stock purchased :	**Market Price**
Commodities	
Raw Materials	
Other Supplies	

II-A4-A: Receivables reaching maturity during the fiscal year :	**Principle**	**Interest payments**

II - A4 - B: Debts reaching maturity during the fiscal year :	**Principle**	**Interest payments**

II - A 5: Items included in Exchange losses and gains :	**Amount**

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II - A 6: Analysis of Differed Tax Payments :	**Amount**

B - FOR COMPANIES :

II - B1 : Current Accounts of Associates :

Family Name	**First Name**	**Special Clauses**	**Amount**	**Duration**
MIEZAN AGUI				
DUTCH STEVEDORING				

	Nature	**Amount**
II - B2 - A: Receivables related to participations :		
II - B2 - B: Debts related to participations :		

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	Kind	Amount
II - B3 **Detail of the unavailable reserve funds and free reserve funds**		

	Amount
II - B4 : Total Amount of payment for the executive, administrative and control functions:	

III - TABLES :

THE TABLES PRESENTED ON THE FOLLOWING PAGES ARE AN INTEGRAL PART OF THE ANNEX ACCOMPANYING THE STANDARD SYSTEM
TABLE 1 : Immobilized Assets, **TABLE 2 : Depreciation,** **TABLE 3 : Capital Gains and Losses from Transfers,** **TABLE 4 : Provisions included in the Balance Sheet,** **TABLE 5 : Assets under Finance Leases and Assimilated Contracts,** **TABLE 6 : Maturities of Receivables at the closing of the fiscal year,** **TABLE 7 : Maturities of Debts at the closing of the fiscal year,** **TABLE 8: Intermediate Consumption during the fiscal year** **TABLE 9 : Distribution of results and other typical elements from the past five fiscal years** **TABLE 10 : Proposed distribution of results from the fiscal year,** **TABLE 11 : Number of employees, Payroll and External Personnel.** **Supplementary Statement of the Standard System :** **The supplementary statement of the standard system includes the following tables: :** **TABLE 12 : Production during the fiscal year,** **TABLE 13 : Purchases for Production.**

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TABLE 1 : FIxED ASSETS

Fiscal year from **1/1/2020** to **12/31/2020** **12**

SITUATIONS AND MOVEMENTS / Chapters	A Gross Amount at the beginning of the fiscal year	INCREASES: Acquisitions Contributions Creations	INCREASES: Transfers from one account to another	INCREASES: Following a re-evaluation applied during the fiscal year	DECREASES: Transfers spin-offs External	DECREASES: Changes from one account to another account	D = A + B - C Gross amount at the closing of the fiscal year
FIxED ASSETS							
Establishment costs							
Deferred charges							
Premiums and reimbursements of bonds							
INTANGIBLE ASSETS							
Research & Development costs							
Patents, licences, Software							
Business goodwill							
Other intangible fixed assets							
TANGIBLE FIxED ASSETS							
Land							
Buildings							
Installations and furnishings							
Equipment							
Vehicles, trucks, engines							
Advances and partial payments made on fixed assets							
FINANCIAL ASSETS							
Equity Interests							
Other financial assets	3,015,001,447	1961			3,015,001,447		1961
GENERAL TOTAL	3,015,001,447	1961			3,015,001,447		1961

Note : Inscribe amounts according to budgetary chapter at the bottom of the table, if significant, of current tangible and intangible fixed assets at the end of the fiscal year.

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TABLE 2 : AMORTIZATIONS	Fiscal year from **1/1/2020** to **12/31/2020**			
SITUATION and MOVEMENTS / Chapters	**A** **Accumulated depreciation at the beginning of the Fiscal Year**	**B** **Increases Charges during the Fiscal Year**	**C** **DECREASES Depreciation related to items removed from assets**	**D = A + B - C** **Accumulated Depreciation during the Fiscal Year**
CAPITALIZED CHARGES				
Establishment Charges				
Deferred Charges				
Reimbursement Premiums of Bonds				
TOTAL				
INTANGIBLE FIxED ASSETS				
Research and Development Expenses				
Patents, Licences, Software				
Business Goodwill				
Other intangible fixed Assets				
TOTAL (I)				
TANGIBLE FIxED ASSETS				
Land				
Buildings				
Installations and furnishings				
Equipment				
Vehicles, trucks, engines				
TOTAL (II)				
TOTAL (I + II)				
Total Charges during the fiscal year				

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TABLE 3 : CAPITAL GAINS AND LOSSES FROM TRANSFERS	Fiscal year from **1/1/2020** to **12/31/2020**				
	Gross Amount	**Amortization Applied**	**Net Accounting Value**	**Transfer Price**	**Capital Gain or Capital Losses**
	A	**B**	**C = B - B**	**D**	**E = D - C**
INTANGIBLE FIxED ASSETS					
Research and Development Expenses Patents, Licences, Software Business Goodwill Other intangible fixed Assets					
TANGIBLE FIxED ASSETS					
Land Buildings Installations and fixtures Equipment Transportation Equipment					
FINANCIAL FIxED ASSETS Equity securities Other financial fixed assets					
Total					

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TABLE 4 : PROVISIONS INCLUDED IN THE BALANCE SHEET

	Fiscal year from **1/1/2020** to **12/31/2020**							
SITUATION and MOVEMENT / NATURE	**A**	**B**			**C**			**D = A + B - C**
	Provisions at the opening of the tax year	**From operations**	**Financial**	**Exclusive of ordinary activities**	**From Operations**	**Financial Cieres**	**Exclusive of ordinary activities**	**Provisions at the end of the tax year**
1. Regulated Provisions 2. Financial Provisions for Risks and charges 3. Provisions for depréciation of fixed assets								
Total (I)								
4. Depreciation of stocks 5. Depreciation and risk provisions (for third parties) 6. Depreciation and risk provisions (for cash flow)								
Total (II)								
Total (I) + (III)								

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TABLE 5 : ASSETS UNDER FINANCE LEASE AND SIMILAR CONTRACTS

	Fiscal year from **1/1/2020** to **12/31/2020**							
SITUATION and MOVEMENT / CHAPTERS	**Nature of contract (I; M; A) (1)**	**A**	**Increase B**			**Decrease C**		**D = A + B - C**
		Gross amount at the opening of the tax year	Acquisition contributions creations	Transfers from one chapter to another	Following a revaluation applied during the tax year	Transfers split-ups out of service	Transfers from one chapter to another	Gross amount at the end of the tax year
INTANGIBLE FIxED ASSETS Patents, Licences, Software Business Goodwill Other intangible fixed Assets								
TANGIBLE FIxED ASSETS								
Land Buildings Installations and fixtures Equipment Transportation equipment								
General Total								

(1) I : Real estate leasing ; M : Equipment leasing ; A: Other contracts (split the item if significant amounts).

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TABLE 6 : MATURITIES OF RECEIVABLES AT THE END OF THE TAx YEAR

		Fiscal year from **1/1/2020** to **12/31/2020**						
RECEIVABLES	Gross Amount	**ANALYSIS PER MATURITY**				**OTHER ANALYSIS**		
		Up to one year maximum		Over one year and less than two years	Over two years	Amounts in foreign currency	Amounts for related companies	Amounts represented by negotiable instruments
			already due					
Debts from Fixed Assets (I)								
Loans (1) Debts related to equity participations Other financial fixed assets								
Debts from Current Assets (II)								
Suppliers Clients and related accounts Personnel Social Security and other State Social agencies International organizations Associates and Group Various Debtors H.A.O. Receivables Charges recorded in advance								
Total (I) + (II)								

(1) Loans granted during the fiscal year: amount / Reimbursements obtained during the fiscal year: amount:

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TABLE 7 : MATURITIES OF RECEIVABLES AT THE CLOSING OF THE FISCAL YEAR

	Fiscal year from **1/1/2020** to **12/31/2020**							
DEBTS	Gross Amount	**ANALYSIS PER MATURITY**				**OTHER ANALYSIS**		
		Up to one year maximum		Over one year and less than two years	Over two years	Amounts in foreign currency	Amounts for related companies	Amounts represented by negotiable instruments
			already due					
Financial Debts and Assimilated Resources								
Convertible Bond Loans (1) Other Debenture Loans (1) Loans and Debts from Credit establishments (1) Other financial debts (1) (2)								
Total (I)								
Debts from real estate leasing Debts from Equipment leasing Debs from assimilated contracts								
Total (II)								
Debts from Current Liabilities Suppliers and related accounts Clients Personnel Social Security and social agencies Two Years Maximum International Organizations Associates and Group Various Creditors H.A.O. Debts Deferred Income **Total (III)**								
Total (I) + (II) + (III)								

(1) Loans subscribed to during the fiscal year: / Loans reimbursed during the fiscal year :

(2) Total debts towards associates (individuals) :

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TABLE 8 : Intermediate Consumption during the Fiscal Year (specific accounts)		
Description	**Account N°**	**AMOUNT** (in thousands of Cfa Francs)
Water		
Electricity		
Other Energy Sources		
Non-storable maintenance Supplies		
Non-Storable Office Supplies		
Small equipment and tools		
Transportation for third parties		
Transportation of Personnel		
Maintenance, Repairs of fixed Assets		
Maintenance, Repairs of Equipment		
Publicity, Publications, Public Relations		
Telecommunications Expenses		
Payment given to intermediaries and Advisors		

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TABLE 9 : Distribution of Results and other Characteristic Elements during the past five fiscal years

Fiscal Years concerned (1) / NATURE OF INDICATIONS	N	N - 1	N - 2	N - 3	N - 4
CAPITAL STRUCTURE AT THE CLOSING OF THE FISCAL YEAR (2)					
Share Capital	90,500,000	90,500,000			
Ordinary Shares					
Shares with preferred dividends (A.D.P.) without voting rights					
New shares to issue					
through bond conversion					
through the application of subscription rights					
OPERATIONS AND RESULTS OF THE FISCAL YEAR (3)					
Turnover before tax					
Results of Ordinary Activities (R.A.O.) before operational and financial charges and reversals	-42,882,019	116,145,608			
Participation of workers in the profits					
Taxes on Results	-1,538,294	71,970,422			
Net results (4)	-1,191,906,302	500,127,727			
RESULTS PER SHARE					
Distributed Results (5)					
Dividends attributed to each share					
PERSONNEL AND SALARY POLICY					
Average Number of employees during the fiscal year (6)					
Average number of external personnel					
Payroll distributed during the fiscal year (7)	-				
Social benefits paid out during the fiscal year (8) (Social Security, social projects)					
External Personnel invoiced to the company (9)					

(1) Including the fiscal year wherein the financial reports were put before the approval of the Assembly

(2) Indication in case of partial payment of capital of the amount of uncalled capital.

(3) The items on this line are those included in the results account.

(4) When the results are negative, they should be in parentheses.

(5) Fiscal year N corresponds to the dividend proposed during the preceding fiscal year.

(6) The company's own Personnel.

(7) Total of the accounts 661, 662 and 663.

(8) Total of the accounts 664 and 668.

(9) Account 667.

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TABLE 10 : Proposed Assignment of the Results from the Fiscal Year

Fiscal year from **1/1/2020** to **12/31/2020**

ASSIGNMENTS	**AMOUNT (1)**	**ORIGINS**	**AMOUNT (1)**
• Legal Reserve		• Carried over from preceding fiscal years (losses)	
• Statutory or Contractual Reserves		• Carried over from preceding fiscal years (profits)	--3,669,213,350
• Other Reserves (available)		• Net Results of the Fiscal Year	-1,191,906,302
• Dividends (2)		• Withdrawal from the reserves (3)	
• Other Assignments			
To be carried over	-4,861,119,652		
TOTAL (A)	**-4,861,119,652**	**Control : Total A = Total B** **TOTAL (B)**	**-4,861,119,652**

1) Negative amounts must be in parentheses or preceded by the sign (-).

2) If there are several categories having the right to dividends, indicate the amount for each category.

3) Indicate the reserve funds from which the withdrawals were made.

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TABLE 11 : Number of Employees, Payroll Amount and Outside Personnel

	Number of Employees and payroll amount / QUALIFICATIONS	Number of Employees							PAYROLL AMOUNT						
		Nationals		Other States in the region		Outside the region		TOTAL	NATIONALS		OTHER STATES IN THE REGION		OUTSIDE THE REGION		TOTAL
		M	F	M	F	M	F		M	F	M	F	M	F	
	a.Company's own Staff														
YA	1. SENIOR MANAGERS														
YB	2. ADVANCED TECHNICIANS														
	AND MIDDLE MANAGEMENT														
YC	3. TECHNICIANS, AGENTS														
	CONTROL AND														
	QUALIFIED WORKERS														
YD	4. EMPLOYEES, LABOURERS														
	WORKERS & APPRENTICES														
YE	**TOTAL (1)**														
YF	PERMANENT														
YG	SEASONAL														
									BILLING TO THE						
	b. Outside Personnel								COMPANY						
YH	1. SENIOR MANAGERS														
Y I	2. ADVANCED TECHNICIANS														
	AND MIDDLE MANAGEMENT														
YJ	3. TECHNICIANS, AGENTS														
	CONTROL AND														
	QUALIFIED WORKERS														
YK	4. EMPLOYEES, LABOURERS														
	WORKERS & APPRENTICES														
YL	**TOTAL (2)**														
YM	PERMANENT														
YN	SEASONAL														
YO	**TOTAL (1) + (2)**														

M : Men

F : Women

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TABLE 12 : Production during the fiscal year
(Value in thousands of Cfa Francs)

DESIGNATION OF PRODUCT	Unit of Quantity Chosen	PRODUCTION SOLD IN THE COUNTRY		PRODUCTION SOLD IN THE OTHER STATES OF THE		PRODUCTION SOLD OUTSIDE OF THE REGION		CAPITALIZED PRODUCTION		STOCK AT THE BEGINNING OF THE TAX YEAR		STOCK AT THE CLOSING OF THE TAX YEAR	
		Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	Quantity	Valeur
						EMPTY							
Not Detailed													
TOTAL													

Additional Statement
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TABLE 13 : Purchases consumed in production
(Value in thousands of Cfa Francs)

DESIGNATION OF MATERIAL AND PRODUCTS	Unit of Quantity Chosen	PURCHASES MADE DURING THE TAX YEAR						Variation des stocks
		Products from the Country		Purchased within the State		Purchased outside the State		
		Quantity	Valeur	Quantity	Valeur	Quantity	Valeur	(in value)
				EMPTY				
Not Detailed								
TOTAL								

ADDITIONAL STATEMENTS: GENERAL DIRECTION OF TAXES

Additional Statement for
National Accounting

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ADDITIONAL TABLE 13 : Purchases consumed in production (Detail of stocks)
(Value in Cfa **Francs**)

DESIGNATION OF THE MATERIALS AND PRODUCTS	UNIT OF QUANTITY CHOSEN	STOCKS A L'OUVERTURE DE L'EXERCICE		STOCKS A LA CLÔTURE DE L'EXERCICE		VARIATION DES STOCKS
		Quantities	Value in Cfa Francs	Quantities	Value in Cfa Francs	Value in Cfa Francs
Not detailed						
TOTAL						

NORMAL SYSTEM	Additional Statement - Page 1/3

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Additional Statement for the General Tax Direction and National Accounting

	Detail of Charges in Cfa Francs	
601,100	Purchase of merchandise in the Region	
601,200	Purchase of merchandise outside the Region	
601,300	Purchase from the Group of merchandise in the Region	
601,400	Purchase from the Group of merchandise outside the Region	
601,900	Discounts, rebates and refunds obtained	
RA	Purchases of Merchandise	
603,100	Variations of stocks of merchandise	
RB	Variation of stocks	
602,100	Purchase of raw materials in the Region	
602,200	Purchase of raw materials outside the Region	
602,300	Purchase from the Group of raw materials in the Region	
602,400	Purchase from the Group of raw materials outside the Region	
602,900	Discounts, rebates and refunds obtained	
RC	Purchase of raw materials and related supplies	
603,200	Variations of stocks of raw materials	
RD	Variation of stocks	
604,100	ConsumablesMatières consommables	
604,200	Fuel	
604,300	Cleaning Supplies	
604,400	Workshop and Factory supplies	
604,600	Store supplies	
604,700	Office Supplies	
604,900	Discounts, rebates and refunds obtained	
605,100	Water Consumption	
605,200	Electricity	
605,300	Other Energy Sources	
605,400	Maintenance supplies that cannot be stored	
605,500	Office supplies that cannot be stored	40,989,507
605,600	Small equipment and tools	18,776,750
605,700	Studies and services provided	
605,800	Construction work, material and equipment	
605,900	Discounts, rebates and refunds obtained	
608,100	Lost packaging	
608,200	Unidentified recuperable packaging	
608,300	Multi-use packaging	
608,900	Discounts, rebates and refunds obtained	
RE	Other purchases	59,766,257
603,300	Variation in stocks of other supplies	
RH	Variation of stocks	

NORMAL SYSTEM	Additional Statement - Page 2/3

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

Complementary Statement: General Direction of Taxes - National Accounting

	DETAIL OF CHARGES IN Cfa Francs (continued)	Year N°
611,000	Transportation for purchases	
612,000	Transportation for sales	
613,000	Transportation for third parties	
614,000	Transportation of the personnel	
616,000	Transportation of documents	
618,100	Traveling and Commuting to and from work	6,702,800
618,200	Transportation between establishments and construction sites	
618,300	Administrative Transportation	
RI	Transportation	6,702,800
621,000	Subcontracting	40,020,750
622,100	Renting of Land	
622,200	Renting of Buildings	425,207,615
622,300	Renting of Equipment	
622,400	Rented Packaging Losses	
622,500	Renting of Packaging	
622,800	Miscellaneous rentals	
623	Leasing	
624,100	Maintenance of real estate	
624,200	Maintenance of movable assets	
624,300	General Maintenance	
624,800	Other maintenance jobs	
625	Insurance	
626,100	Studies and Research	
626,500	General Documentation	
626,600	Technical Documentation	
627	Publicity	
628,000	Telecommunication costs	12,785,587
631	Bank Charges	16,356,161
632,100	Commissions on purchases	
632,200	Commissions on sales	
632,300	Payment to transit agents	131,119,782
632,400	Legal and accounting Fees	
632,500	Expenses of legal documents and litigation	216,272,454
632,800	Miscellaneous charges	
632,900	Overhead of the Headquarters	
633,000	Personnel Training expenses	
634	Fees and Royalties	
635	Contributions	
637	Manpower or outside Personnel	
638,100	Personnel Recruting charges	
638,200	Moving expenses	
638,300	Receptions	
638,400	Missions	
RJ	External Services	841,762,349

NORMAL SYSTEM	Additional Statement - Page 3/3

Company Name **TECH MAHINDRA DRC SARLU**
Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**
Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

	Detail of charges in Cfa Francs (continued)	Year N
641,100	Real Estate taxes	
641,200	Patents	
641,310	Taxes on the salaries of National Personnel	
641,320	Taxes on the salaries of Non-national Personnel	
641,800	Other direct taxes	
645,000	Indirect fees	
646,000	Stamps, stickers	
647,000	Fines and penalties	
648,000	Other taxes	
RK	Taxes and Fees	
651	Various Losses	
652-653	Share of profits from joint operations	
654,000	Amounts carried over from the disposal of fixed assets	
658,100	Director's Fees	
658,200	Donations	
658,300	Patronage	
659	Provisioned Expenses	
RL	Other Charges	
661	Salaries and benefits of national staff	-111,185,211
662	Salaries and benefits of non-national staff	
663	Indemnities for the Personnel	
664 1	Social Security contributions for national staff	
664 2	Social Security contributions for non-national staff	
666	Remuneration and charges of the sole proprietor	
667	External Staff	
668	Miscellaneous staff costs	
RP	Personnel Expenses	-111,185,211
671-675	Financial Expenses	
677,000	Losses on disposals of marketable securities	
678,000	Losses on financial risks	
679,000	Provisioned financial expenses	
SA	Financial Expenses	
676,000	Foreign Exchange Losses	423,415,508
SC	Foreign Exchange Losses	423,415,508
681	Depreciation and Amortization expenses	
691	Charges to Provisions	
RS	Depreciation, Amortization and Provisions	
687	Financial depreciation and amortization charges	
697	Charges to financial provisions	
SD	Dotations aux amortissements et aux provisions	
TOTAL DES CHARGES ORDINAIRES		**1,220,461,703**

Additional Statement for National Accounting

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

ADDITIONAL STATEMENT : UMEOA STATISTICAL ELEMENTS

ANNEX OF AN ADDITIONAL STATEMENT AND TABLE 11 (Amounts in Cfa Francs)

ANNEX OF ADDITIONAL STATEMENT	Amount in other UEMOA States	Amount in other states of the Region outside of UEMOA
I - B12 - 1 DETAIL OF PRODUCTS :		
Fees for patents, concessions, licences,		
trademarks and similar rights		
Fees for the rental of agricultural land :		
I - C1 - USED GOODS ACQUIRED :		

ADDITIONAL TABLE 12 (Amounts in Thousands of Cfa Francs)

DESIGNATION OF THE PRODUCT	UNIT OF QUANTITY CHOISIE	PRODUCTION SOLD IN THE OTHER UEMOA STATES		PRODUCTION SOLD IN OTHER STATES OF THE REGION OUTSIDE UEMOA	
		Quantity	Value	Quantity	Value

COMPLEMENT TABLEAU 11	AUTRES ETATS DE L'UEMOA			
PERSONNEL PROPRE	EFFECTIFS		MASSE SALARIALE	
	M	F	M	F
1. CADRES SUPERIEURS				
2. TECHNICIENS SUPERIEURS ET CADRES MOYENS				
3. TECHNICIENS, AGENTS DE MAITRISE ET OUVRIERS QUALIFIES				
4. EMPLOYES, MANŒUVRES, OUVRIERS ET APPRENTIS				
TOTAL				
PERMANENTS				
SAISONNIERS				

COMPLEMENT DETAIL DES CHARGES EN FCFA	Exercice N
Achats de marchandises dans l'UEMOA	
Achats de marchandises au groupe dans l'UEMOA	
Achats de marchandises	
Achats de matières premières dans l'UEMOA	
Achats de matières premières au groupe dans l'UEMOA	
Achats de matières premières	

Additional Statement N° 3

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

BREAKDOWN OF THE TAX INCOME OF PARTNERSHIPS

Full Name of Associates	Address of Tax Residence	Taxpayer Identity N°	Share of the Results before reintegration of their remuneration and AN and share of the IMF	Remuneration and benefits and share of the IMF due to them	**Total** taxable amount in the name of each of the Associates
		TOTALUX			

Additional Statement N° 4

Company Name **TECH MAHINDRA DRC SARLU**

Address: BP AV TOMBALAYE IMMEUBLE LE PRESTIGE Abbreviated as : **TECH MAHINDRA**

Taxpayer Identity **N°** A1103190F Year ending on: **12/31/2020** Duration (in months) : **12**

ADDITIONAL INFORMATION FROM INDIVIDUAL COMPANIES

INDIVIDUAL OPERATORS

FINANCIAL CONTRIBUTIONS DURING THE FISCAL YEAR	
FINANCIAL DEDUCTIONS DURING THE FISCAL YEAR	
REAL VALUE OF ADVANTAGES IN KIND	
JOINT REMUNERATION OF THE OPERATOR	

TECH MAHINDRA (THAILAND) LIMITED

Board of Directors
Mr. Pranab Roy Choudhury
Mr. Amitava Ghosh
Mr. Sanjeev Pinto (Resigned, effective June 24, 2021)
Mr. Hrishikesh Pandit

Registered Office

BB Building, 13th Floor, Unit No. 1304, Sukhumvit
21 Road (Asok), North Klongteoy Sub-district,
Wattana District, Bangkok

Bankers

HSBC Limited

Auditors

KPMG Phoomchai Audit Ltd

TECH MAHINDRA (THAILAND) LIMITED

DIRECTORS' REPORT

Your directors present their report together with the audited accounts of your company for the year ended March 31, 2021.

Financial Results

For the years ended March 31	2021 THB	2020 THB
Income	674,523,165	270,486,322
Profit/(Loss) before income tax expense	(545,916,537)	(21,036,951)
Profit/(Loss) for the year	(550,831,300)	(16,204,653)

Review of Operations:

The income for the year reported as THB 674,523,165. Loss before income tax expense for the year recorded as THB 545,916,537

Directors:

The following are the directors of the company

Mr. Pranab Choudhury

Mr. Amitava Ghosh

Mr. Sanjeev Pinto (Resigned)

Mr. Hrishikesh Pandit

COVID-19

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Outlook for the Current Year:

The Company is optimistic of increasing its local business in future.

Acknowledgments:

Your Directors thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholders for the cooperation and assistance received from them.

For **Tech Mahindra (Thailand) Limited**

Pranab Roy Choudhury
Chairman

Place: Bangkok
Date : July 9, 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tech Mahindra (Thailand) Limited

To the Shareholders of Tech Mahindra (Thailand) Limited

Opinion

I have audited the financial statements of Tech Mahindra (Thailand) Limited (the "Company"), which comprise the statement of financial position as at 31 March 2021, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021 and its financial performance for the year then ended

in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Marisa Tharathornbunpakul)
Certified Public Accountant
Registration No. 5752

KPMG Phoomchai Audit Ltd.
Bangkok
9 July, 2021

STATEMENT OF FINANCIAL POSITION

(in Baht)

	Note	As at 31 March	
Assets		**2021**	**2020**
Current assets			
Cash and cash equivalents		-	51,099,242
Trade and other receivables	4	352,806,352	67,792,588
Current portion of lease receivables	5	11,036,847	-
Other current assets		30,544,854	25,923,590
Total current assets		**394,388,053**	**144,815,420**
Non-current assets			
Leasehold improvement and equipment	6	6,383,199	140,154
Lease receivables	5	24,404,944	-
Deferred tax assets	12	-	5,041,411
Other non-current assets		295,800	279,733
Total non-current assets		**31,083,943**	**5,461,298**
Total assets		**425,471,996**	**150,276,718**
Liabilities and equity			
Current liabilities			
Bank overdrafts		8,255,037	-
Trade and other payables	7	439,462,945	133,253,728
Short-term loans from related parties	8	81,761,990	-
Current provision for anticipated losses	9	210,746,650	-
Current provisions for retirement benefits	10	4,085,070	-
Other current liabilities		34,202,058	4,490,024
Total current liabilities		**778,513,750**	**137,743,752**
Non-current liabilities			
Non-current provision for anticipated losses	9	179,916,498	-
Non-current provisions for retirement benefits	10	6,884,980	1,544,898
Total non-current liabilities		**186,801,478**	**1,544,898**
Total liabilities		**965,315,228**	**139,288,650**
Equity			
Share capital			
Authorised share capital			
(60,000 ordinary shares, par value at Baht 100 per share)		6,000,000	6,000,000
Issued and paid-up share capital			
(60,000 ordinary shares, par value at Baht 100 per share)		6,000,000	6,000,000
Retained earnings (deficit)		(545,843,232)	4,988,068
Total equity		**(539,843,232)**	**10,988,068**
Total liabilities and equity		**425,471,996**	**150,276,718**

The accompanying notes are an integral part of these financial statements.

TECH MAHINDRA (THAILAND) LIMITED

STATEMENT OF INCOME

(in Baht)

	Note	For the year ended 31 March	
		2021	2020
Income			
Revenue from rendering of services	11	671,877,152	265,629,688
Gain on exchange rate		-	3,130,725
Other income		2,646,013	1,725,909
Total revenues		**674,523,165**	**270,486,322**
Expenses			
Cost of rendering of services		1,150,254,180	263,760,416
Administrative expenses		69,464,276	27,762,857
Total expenses		**1,219,718,456**	**291,523,273**
Loss before finance costs and income tax expense		**(545,195,291)**	**(21,036,951)**
Finance costs		721,246	-
Loss before income tax expense		**(545,916,537)**	**(21,036,951)**
Tax income (expense)	12	(4,914,763)	4,832,298
Loss for the year		**(550,831,300)**	**(16,204,653)**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(in Baht)

	Issue and paid - up share capital	Unappropriated	Total equity
Year ended 31 March 2020			
Balance at 1 April 2019	**6,000,000**	**21,192,721**	**27,192,721**
Loss for the year	-	(16,204,653)	(16,204,653)
Balance at 31 March 2020	**6,000,000**	**4,988,068**	**10,988,068**
Year ended 31 March 2021			
Balance at 1 April 2020	**6,000,000**	**4,988,068**	**10,988,068**
Loss for the year	-	(550,831,300)	(550,831,300)
Balance at 31 March 2021	**6,000,000**	**(545,843,232)**	**(539,843,232)**

The accompanying notes are an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the

Thai language statutory financial statements, and were approved and authorized for issue by the director on 9 July 2021.

1 General information

Tech Mahindra (Thailand) Limited, the "Company", is incorporated in Thailand on August 26, 2005 and has its registered office at 54 BB Building, 13th Floor, Room 1304, Sukhumvit 21 Road (Asoke), Kwang Klongtoey Nua, Khet Wattana, Bangkok and the principal businesses of the Company are providing IT services and development for computer software.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs); guidelines promulgated by the Federation of Accounting Professions (TFAC). In addition, the Company has complied with Thai Financial Reporting Standard for Publicly Accountable Entities (TFRS for PAEs).

TFRS	Topic
TAS 12	Income Taxes

The financial statements are prepared and presented in Thai Baht. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Going concern

As 31 March 2021, the Company has net loss of Baht 550.83 million for the year ended 31 March 2021 (2020: Baht 16.20 million) and, as of that date, the Company's current liabilities exceeded its current assets by Baht 384.13 million, deficit of Baht 545.84 million and capital deficiency of Baht 539.84 million. The condition indicates the existence of uncertainty which may cast doubt about the Company's ability to continue as a going concern. The Company's management, however, believes that the going concern basis of financial statement presentation is appropriate to prepare its financial statements since the Company's shareholders provided financial support to the Company and are major debtors of the Company. Moreover, the management believe that the Company will has sufficient working capital from its future operation to be used in their operations in the next 12 months from 31 March 2021. The financial statements do not include any adjustments relating to the recoverability and classification of the recorded assets amounts or to amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates at that date. Gains or losses arising on translation are recognised in the statement of income.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

(c) Trade, lease and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

Receivable under finance lease contracts are carried at outstanding amount, net of unearned interest income less allowance for doubtful accounts.

Unbilled trade accounts receivable represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised for the portion of work performed, less progress billings and recognised losses.

The allowance for doubtful accounts is provided at the estimated collection losses on receivables at the end of the year. Such estimates are assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(d) Leasehold improvement and equipment

Leasehold improvement and equipment are measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of leasehold improvement and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvement and equipment .

Any gains and losses on disposal of an item of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment are recognised in the statement of income.

Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvement and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvement and equipment. The estimated useful lives are as follows:

Office equipment	2	years
Computer	3	years
Leasehold improvement	2	years

(e) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount exceeds its recoverable amount. A loss on decline in value is recognised in the statement of income.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Provision for retirement benefits

Provision for retired benefits are recognised using the best estimate method at the reporting date.

The Company derecognises the provision when actual payment is made.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting the Company's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(g) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Service contracts revenue

Services contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a service contract can be estimated reliably, contract revenue and expenses are recognised in the statement of income in proportion to the stage of completion of the contract.

The stage of completion is assessed based on the proportion of total labour hours incurred to date to the estimated total labour hours of each contract. When the outcome of a service contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of income.

Other income

Interest and other income are recognised in the statement of income as it accrues.

(h) Operating lease

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

(i) Finance costs

Interest expenses and similar costs are recognised on accrual basis

(j) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in the statements of income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company intends to settle current tax liabilities and assets on a net basis or it is expected that tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4 Trade and other receivables

	2021	2020
	(in Baht)	
Trade and other receivables and other receivables	290,730,163	42,361,213
Unbilled receivables	95,480,004	25,431,375
Total	**386,210,167**	**67,792,588**
Less allowance for doubtful accounts	(33,403,815)	-
Net	**352,806,352**	**67,792,588**
Bad and doubtful debts (Reversal)	33,403,815	(1,605,000)

5 Lease receivables

	Within one year		After one year but within five years		Total	
	2021	2020	2021	2020	2021	2020
Lease receivables	12,718,658	-	28,372,391	-	41,091,049	-
Less unearned interest income	(1,681,811)	-	(3,967,447)	-	(5,649,258)	-
Total lease receivables	11,036,847	-	24,404,944	-	35,441,791	-

6 Leasehold improvement and equipment

	Leasehold improvement	Office equipment	Computer	Total
				(in Baht)
Cost				
At 1 April 2019	1,098,524	16,262	728,047	1,842,833
Additions	-	-	111,450	111,450
At 31 March 2020 and 1 April 2020	**1,098,524**	**16,262**	**839,497**	**1,954,283**
Additions	-	-	7,681,500	7,681,500
At 31 March 2021	**1,098,524**	**16,262**	**8,520,997**	**9,635,783**
Depreciation				
At 1 April 2019	1,098,524	16,262	673,326	1,788,112
Depreciation charge for the year	-	-	26,017	26,017
At 31 March 2020 and 1 April 2020	**1,098,524**	**16,262**	**699,343**	**1,814,129**
Depreciation charge for the year	-	-	1,438,455	1,438,455
At 31 March 2021	**1,098,524**	**16,262**	**2,137,798**	**3,252,584**
Net book value				
At 31 March 2020	**-**	**-**	**140,154**	**140,154**
At 31 March 2021	**-**	**-**	**6,383,199**	**6,383,199**

7 Trade and other payables

	2021	2020
	(in Baht)	
Trade payables		
Related parties	314,760,566	82,557,147
Other parties	19,558,516	181,587
Other payables		
Accrued expenses	97,162,867	41,713,880
Unearned revenue	7,980,996	8,801,114
Total	**439,462,945**	**133,253,728**

8 Short-term loans from related parties

In 2021, the company enter into loan agreements with related parties amounting to Baht 81.76 million. The said loan agreements have interest rate of 1.26% - 1.59% with repayment schedule during June and September 2021.

9 Provision for anticipated losses

	(in Baht)
At 31 March 2019 and 1 April 2019	-
Provisions made	390,663,148
At 31 March 2021	**390,663,148**
Current	210,746,650
Non-current	179,916,498
Total	**390,663,148**

Provisions for anticipated losses occur from service agreement with other party and is towards the additional delivery costs. The said loss was on account of developments in certain delivery aspects due to COVID and due to scope creep.

10 Provisions for retirement benefits

	(in Baht)
At 1 April 2019	1,340,811
Additions	741,999
Paid	(537,912)
At 31 March 2019 and 1 April 2019	**1,544,898**
Additions	11,910,464
Paid	(2,485,312)
At 31 March 2021	**10,970,050**
Current	4,085,070
Non-current	6,884,980
Total	**10,970,050**

11 Promotional privileges

The Company has been granted promotional certificates by the office of the Board of Investment relating to the investment in enterprise software and digital content with certificate no. 1044(7)/2556, dated January 15, 2013. The Company has been granted several privileges including the exemption of import duty on machinery that approved by the Board and the exemption of corporate income tax for net profit from the promoted activities for a period of eight years from the date when income is first derived.

In accordance with the Notification of the Board of Investment No. Por. 14/2541 dated December 30, 1998, regarding revenue reporting of a promoted industry, the Company is required to report revenues separately for domestic and export and from the promoted and non-promoted businesses. For the years ended March 31, all sales were domestic sales and such information is as follows:

	2021			**2020**		
	Promoted businesses	**Non-promoted businesses**	**Total**	**Promoted businesses**	**Non-promoted businesses**	**Total**
			(in Baht)			
Local sales	319,552,551	352,324,601	671,877,152	60,141,158	205,488,530	265,629,688

As a promoted company, the Company must comply with certain conditions and restrictions provided in the promotional certificate.

12 Income tax expense

	2021	2020
	(in Baht)	
Current tax expense		
Adjustment for prior years	(126,648)	(8,936)
	(126,648)	**(8,936)**
Deferred tax expense		
Movements in temporary differences	5,041,411	(4,823,362)
Total	**4,914,763**	**(4,832,298)**

Deferred tax	**Assets**		**Liability**	
At 31 March	**2021**	**2020**	**2021**	**2020**
Total	-	5,058,543	-	(17,132)
Set off of tax	-	(17,132)	-	17,132
Net deferred tax assets	**-**	**5,041,411**	**-**	**-**

Reconciliation of effective tax rate

	2021		2020	
	Rate (%)	(in Baht)	Rate (%)	(in Baht)
Loss before income tax expense		(545,916,537)		(21,036,951)
Income tax using the Thai corporation tax rate	20	(109,183,307)	20	(4,207,390)
Current year tax losses (profits) from promotional privileges for which no deferred tax assets was recognised		114,224,718		(615,972)
Under provided in prior years		(126,648)		(8,936)
Total	**1**	**4,914,763**	**(23)**	**(4,832,298)**

Movements in deferred tax assets during the year were as follows:

	At 1 April 2020	(Charged)/ credited to statement of income	At 31 March 2021
		(in Baht)	
Deferred tax assets			
Other payable - accrued costs and expenses	4,759,594	(4,759,594)	-
Depreciation and amortisation charges	298,949	(298,949)	-
Provision for employee retirement benefits	**5,058,543**	**(5,058,543)**	**-**
Deferred tax liability			
Depreciation charges	(17,132)	17,132	-
Total	**(17,132)**	**17,132**	**-**
Net	**5,041,411**	**(5,041,411)**	**-**

	At 1 April 2019	(Charged)/ credited to statement of income	At 31 March 2020
		(in Baht)	
Deferred tax assets			
Other payable - accrued costs and expenses	-	4,759,594	4,759,594
Depreciation and amortisation charges	268,162	30,787	298,949
Provision for employee retirement benefits	**268,162**	**4,790,381**	**5,058,543**

	At 1 April 2019	(Charged)/ credited to statement of income	At 31 March 2020
Deferred tax liability			
Depreciation charges	(50,113)	32,981	(17,132)
Total	**(50,113)**	**32,981**	**(17,132)**
Net	**218,049**	**4,823,362**	**5,041,411**

13 Commitments

As at March 31, the Company has non-cancellable lease commitments for building rental to be paid in the future as follows:

	2021	2020
	(in Baht)	
Non-cancellable operating lease commitments		
Within one year	1,331,100	1,178,100
After one year but within five years	-	1,331,100
Total	**1,331,100**	**2,509,200**

Rental agreement

The Company has entered into lease and service agreement for the office space, the terms of the agreement is 2 years. The contract will be terminated within 2022.

Bank guarantees

The Company has letter of guarantees without collateral issued by a bank on behalf of the Company in respect of the contractual compliance with a company amounting to Baht 27.16 million (2020: Baht 2.97 million).

PT TECH MAHINDRA INDONESIA

Board of Directors
Mr. Manish Goenka
Mr. Pranab Choudhury
Mr. Puneet Kumar Chadha

Registered Office
Cyber 2 Tower 17th Floor,
JL. HR Rasuna Said Blok x5 Kav.13,
Jakarta Selatan 12950,
Indonesia

Bankers
HSBC Bank Ltd.
Bank Mandiri Indonesia
Bank Negara Indonesia
Bank Rakyat Indonesia

Auditors
Siddharta Widjaja & Rekan

DIRECTORS' REPORT

Your directors present their report together with the audited accounts of your company for the year ended March 31, 2021.

Financial Results

For the years ended March 31	**2021**	**2021**	**2020**	**2020**
	US $	INR	US $	INR
Income	42,076,773	3,071,604,429	24,183,197	1,813,739,775
Profit/(Loss) before tax	8,341,472	608,927,456	3,771,157	282,836,775
Profit	6,318,875	461,277,875	1,948,801	146,160,075

*Average conversion rate considered is INR 73 per USD.

Review of Operations:

During the year under review, your company recorded an income of US$ 42,076,773 (equivalent to INR 3,071,604,429) increase of 74 % over the previous year. Profit before tax was US$ 8,341,472 (equivalent to INR 608,927,456). The Company continues to invest in strengthening its marketing infrastructure in Indonesia.

Outlook for the Current Year:

The Company is optimistic of increasing its business in future.

Acknowledgments:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For PT TECH MAHINDRA INDONESIA

Manish Goenka
Director

Pranab Choudhary
Director

Puneet Kumar Chadha
Director

Place: Jakarta
Date : July 5, 2021

INDEPENDENT AUDITORS' REPORT

No.; 00491/2.1005/AU.1/06/1214-2/1NII/2021

The Shareholders,
Board of Commissioners and Directors
PT Tech Mahindra Indonesia:

We have audited the accompanying financial statements of PT Tech Mahindra Indonesia, which comprise the statement of financial position as of 31 March 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PT Tech Mahindra Indonesia as of 31 March 2021, and its financial performance and its cash flows the year then ended, in accordance with Indonesia Financial Accounting Standards.

Siddharta Widjaja & Rekan
Registered Public Accountants

Signed in Original

Harry Widjaja, S.E.,CPA
Public Accountant License No. AP.1214
July 5, 2021

PT TECH MAHINDRA INDONESIA

STATEMENT OF FINANCIAL POSITION

In US Dollar	Notes	31 March 2021	31 March 2020
ASSETS			
CURRENT ASSETS			
Cash		6,144,101	4,513,007
Account receivables	5	7,073,701	3,608,921
Contract assets	9	6,802,758	4,431,754
Lease receivables	13	1,863,469	-
Value added tax		555,693	380,018
Prepaid expenses and advances		697,880	222,321
TOTAL CURRENT ASSETS		**23,137,602**	**13,156,021**
NON-CURRENT ASSETS			
Deferred tax assets	12	1,593,525	1,557,205
Claims for tax refund	6	2,423,015	2,583,211
Lease receivable	13	4,085,726	-
Property and equipment, net		64,178	57,860
Other non-current assets		38,860	38,860
TOTAL NON-CURRENT ASSETS		**8,205,304**	**4,237,136**
TOTAL ASSETS		**31,342,906**	**17,393,157**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Bank overdraft		-	560,855
Account payables	7	14,072,612	6,922,110
Employee benefits obligation		239,401	208,663
Income tax payable		727,593	779,119
Other tax payables		1,080,875	222,080
Contract liabilities	9	529,863	325,150
TOTAL CURRENT LIABILITIES		**16,650,344**	**9,017,977**
NON-CURRENT LIABILITIES			
Employee benefits obligation		248,384	304,086
Other non-current liability		2,770	32,907
TOTAL NON-CURRENT LIABILITIES		**251,154**	**336,993**
TOTAL LIABILITIES		**16,901,498**	**9,354,970**
EQUITY			
Share capital	8	500,000	500,000
Other comprehensive income		226,779	142,433
Retained earnings		13,714,629	7,395,754
TOTAL EQUITY		**14,441,408**	**8,038,187**
TOTAL LIABILITIES AND EQUITY		**31,342,906**	**17,393,157**

See Notes to the Financial Statements, which form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In US Dollar	Notes	Year ended 31 March	
		2021	2020
REVENUE	9	41,350,399	23,395,970
COST OF REVENUE	10	(26,085,163)	(8,559,399)
GROSS PROFIT		15,265,236	14,836,571
Operating expenses	11	(9,170,512)	(10,123,639)
Impairment loss on account receivables		(465,578)	188,030
Finance income (cost), net		368,070	(4,671)
Gain (loss) on foreign exchange, net		1,617,882	(1,912,361)
Other income		726,374	787,227
PROFIT BEFORE TAX		**8,341,472**	**3,771,157**
Income tax expense	12	(2,022,597)	(1,822,356)
PROFIT		**6,318,875**	**1,948,801**
OTHER COMPREHENSIVE INCOME			
Changes resulting from actuarial remeasurements of employee benefits obligations		105,433	4,768
Tax on other comprehensive income	12	(21,087)	-
TOTAL OTHER COMPREHENSIVE INCOME		**84,346**	**4,768**
TOTAL COMPREHENSIVE INCOME		**6,403,221**	**1,953,569**

See Notes to the Financial Statements, which form an integral part of these financial statements.

PT TECH MAHINDRA INDONESIA

STATEMENT OF CHANGES IN EQUITY

In US Dollar	Share capital	Other comprehensive income	Retained earnings	Total equity
Balance as of 31 March 2019	**500,000**	**137,665**	**5,446,953**	**6,084,618**
Loss for the year	-	-	1,948,801	1,948,801
Other comprehensive income	-	4,768	-	4,768
Balance as of 31 March 2020	**500,000**	**142,433**	**7,395,754**	**8,038,187**
Profit for the year	-	-	6,318,875	6,318,875
Other comprehensive income	-	84,346	-	84,346
Balance as of 31 March 2021	**500,000**	**226,779**	**13,714,629**	**14,441,408**

See Notes to the Financial Statements, which form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

In US Dollar	Notes	Year ended 31 March 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		6,318,875	1,948,801
Adjustments for:			
Loss on impairment of account receivables		465,578	390,86
Income tax expense	12	2,022,597	2,391,855
Finance (income) cost, net		(368,070)	4,671
Depreciation	11	53,295	59,687
Operating cash flows before changes in working capital		**8,492,275**	**4,795,882**
Changes in working capital:			
Lease receivable		(6,895,564)	-
Account receivables		(3,930,358)	(1,225,967)
Contract assets		(2,371,004)	294,358
Claims for tax refund		160,196	478,999
Value added tax		(175,675)	162,784
Prepaid expenses and advances		(475,559)	68,725
Unearned finance income on leases		946,368	-
Other non-current assets		-	12,976
Account payables		7,150,503	(621,437)
Other tax payables		858,795	53,732
Contract liabilities		204,713	(127,003)
Employee benefits obligation		80,469	20,212
Other non-current liability		(27,198)	32,907
Cash generated from operations		**4,017,961**	**3,946,168**
Interest received		369,594	-
Income tax paid		(2,134,469)	(1,374,148)
Net cash from operating activities		**2,253,086**	**2,572,020**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(59,613)	(92,260)
Interest received on fixed deposit		1,415	-
Net cash used in investing activities		**(58,198)**	**(92,260)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank overdraft		-	560,855
Repayment of bank overdraft		(560,855)	-
Interest paid		(2,939)	(4,671)
Net cash (used in) from financing activities		**(563,794)**	**556,184**
NET INCREASE IN CASH		**1,631,094**	**3,035,944**
CASH AT BEGINNING OF YEAR		**4,513,007**	**1,477,063**
CASH AT END OF YEAR		**6,144,101**	**4,513,007**

See Notes to the Financial Statements, which form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2021

1. GENERAL INFORMATION

PT Tech Mahindra Indonesia (the "Company") was established in the Republic of Indonesia in 2006. The Company commenced its commercial operations on May 1, 2006. The Company's head office is located in Cyber 2 Tower 17th Floor, JL. HR Rasuna Said Blok x5 Kav.13, Jakarta Selatan 12950, Indonesia.

The Company is currently engaged in providing Billing and Customer Care System Managed Services.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

a. Amendments/improvements and interpretations to standards effective in the current year

In the current year, the Company has applied a number of amendments and an interpretation to PSAK that are relevant to its operations and effective for accounting period beginning on or after 1 January 2019.

The application of the ISAK 34, Uncertainty Over Income Tax Treatments has not resulted to material impact to disclosures or on the amounts recognized in the current and prior year financial statements.

b. Changes in accounting policies

(i) Statements of Financial Accounting Standards ("PSAK") which became applicable in 2020

- PSAK 71, Financial Instruments

The adoption of PSAK 71, mandates adherence with the newly amended PSAK 1, Presentation of Financial Statements, which requires impairment of financial assets to be presented separately in the statement of profit or loss and other comprehensive income instead of being classified as administrative expenses. Also, certain additional disclosures have been added to conform the 2020 information with the related amendments to PSAK 60, Financial Instruments: Disclosures.

i. Classification of financial assets

In accordance with PSAK 71, financial assets are classified in one of three categories based on the underlying business model by which a financial asset is managed and its contractual cash flow characteristics: measured at amortized cost, measured at fair value through other comprehensive income (FVOCI), or measured at fair value through profit or loss (FVTPL). The following table contrasts the original measurement categories under PSAK 55 and the new measurement categories under PSAK 71 for each of the Group's financial assets and financial liabilities as at 1 April 2020:

In millions of Rupiah	Original classification under PSAK 55	New classification under PSAK 71	Original carrying amount under PSAK 55	New carrying amount under PSAK 71
Financial assets				
Cash	Loans and receivables	Amortized cost	4,513,007	4,513,007
Account receivables	Loans and receivables	Amortized cost	3,608,921	3,608,921
Total financial assets			**8,121,928**	**8,121,928**
Financial liabilities				
Bank overdraft	Amortized cost	Amortized cost	560,855	560,855
Account payables	Amortized cost	Amortized cost	6,922,110	6,922,110
Total financial liabilities			**7,482,965**	**7,482,965**

ii. Impairment of financial assets

PSAK 71 replaced the "incurred loss" impairment model of PSAK 55 with the "expected credit loss" (ECL) impairment model. The new impairment model applies to all financial assets measured at amortized cost.

The Company has changed its accounting policy for financial instruments as disclosed in Note 3i. The adoption of PSAK 71 had no material effect on the Company's financial statements.

-PSAK 72, Revenue from Contracts with Customers

PSAK 72 is based on the principle of recognizing revenue when the control of goods or services is transferred to customers at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognized over time, in a manner that depicts the entity's performance, or at a point in time, when control of goods or services is transferred to the customer.

The adoption of PSAK 72 had no material effect on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Statement of compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards.

b. The Company's directors approved the financial statements for issuance on 5 July 2021.

c. Basis of preparation

The financial statements have been prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

d. Functional and presentation currency

The Company's functional currency is Indonesian Rupiah. The financial statements are presented in United States Dollar ("US Dollar/USD").

In preparing the financial statements of the Company, transactions in currencies other than its functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting gains or losses are credited or charged to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

e. Financial instruments

(i) Financial assets

Policy applicable from 1 January 2020 (PSAK 71)

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or, fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets that are measured at amortized cost consist of cash and account receivables. These financial assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains or losses on derecognition of these financial assets are recognized in profit or loss.

Policy that was applicable before 1 January 2020 (PSAK 55)

The Company's financial assets comprise cash and account receivables, which are categorized as "Loans and receivables".

Financial assets that are categorized as loans and receivables are initially measured at fair value, plus any directly attributable transaction costs. Subsequent to initial measurement, they are carried at amortized cost, net of provision for impairment, if necessary. Amortized cost is measured by discounting the asset amounts using the effective interest rate, unless the effect of discounting would be insignificant. The effective interest rate is the rate at which the expected future cash flows are discounted on initial recognition in order to arrive at the net carrying amount. The interest amounts resulting from the application of discounting are recognized in profit or loss.

Financial liabilities are classified as either measured-at-amortized cost, or at FVTPL. A FVTPL financial liability is measured as such if it is classified as held-for-trading, if it is a derivative, or if it is designated as measured-at-FVTPL on initial recognition.

Bank overdraft and account payables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred: i.e. when control over the financial asset is relinquished.

In transactions where a financial assets is transferred but the risks and rewards associated with ownership are somehow retained the transferred asset is not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or otherwise extinguished. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability, based on the modified terms, is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

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

(v) Impairment

Policy applicable from 1 January 2020 (PSAK 71)

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortized cost.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Company measures loss allowances at an amount that reflects the lifetime ECL, except for cash in bank for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, wherein the loss allowances are determined based on the 12-month ECL.

Loss allowances for trade and other receivables, and for contract assets that are measured at amortized cost, are measured at an amount that represents the lifetime ECL.

Policy that was applicable before 1 January 2020 (PSAK 55)

An impairment provision is recognized for financial assets that are categorized as loans and receivables when there is objective evidence that the Company will not be able to recover the carrying amounts according to the original terms of the instrument. The amount of the impairment loss is the difference between the carrying amount of the financial asset and the present value of its estimated future cash flows, discounted at the original effective interest rate. Changes in the impairment provision are recognized in profit or loss.

f. Leases

Policy applicable from 1 January 2020 (PSAK 73)

At inception of a contract, the Company determines if a contract is, or contains, a lease by considering whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Company as a lessee

A contract conveys the right to control the use of an identified asset if all of the following conditions are meet:

- the contract involves the use of substantially all of the capacity of an identified asset that is physically distinct (as specified explicitly or implicitly in the contract). If the supplier has a substantive substitution right, then the asset cannot be considered as identifiable;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset: i.e. it has decision-making rights that are most relevant to changing how and for what purpose the asset is used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2020.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses if any and adjusted for certain remeasurements (as described below) of the lease liability.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Company applies PSAK 72, Revenue from Customer Contracts, to allocate the consideration in the contract.

Policy that was applicable before 1 January 2020 (PSAK 30)

Leases in which the Company assumes substantially all the risks and rewards of ownership of the assets acquired are classified as "finance leases". Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset. If there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Leasing arrangements in which risks and rewards of ownership are not conveyed to the Company are categorized as "operating leases" and treated as an executory contract, wherein lease payments are recognized as expense over the lease term, and the underlying assets are not recognized in the statement of financial position

g. Revenue recognition

Policy applicable from 1 January 2020 (PSAK 72)

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as contract assets.

Revenue from fixed price maintenance contracts is recognized based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

Revenue on fixed price development contracts is recognized using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the standalone statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

The solutions offered by the Company may include supply of third party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognized gross amount of consideration as revenue when it is acting as a principal and net amount of consideration as revenue when it is acting as an agent.

Contracts assets are recognized when there is excess of revenue earned over billings on contracts.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Company has applied the guidance in PSAK 72 by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. Fixed price development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a 'right to use' the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a 'right to access' is recognized over the access period. The Company has applied the principles of PSAK 72 to account for revenues for these performance obligations.

Policy that was applicable before 1 January 2020 (PSAK 23)

Revenue from information technology services and business process outsourcing services include revenue earned from services rendered on 'time and material' basis, time bound fixe price engagements and fixed price development contracts.

h. Income tax

Income tax expense comprises current and deferred corporate income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or refundable on the taxable income or loss for the year, using tax rates substantively enacted at the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax payable or refundable is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This method also requires the recognition of future tax benefits, such as tax loss carry forwards, to the extent that realization of such benefits is probable.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

4. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates.

5. ACCOUNT RECEIVABLES

In US Dollar	31 March 2021	31 March 2020
Account receivables arising from revenue generating activities are from:		
Non-related parties	14,561,436	10,896,187
Related parties	5,633	47
	14,567,069	**10,896,234**
Allowance for impairment losses	(7,493,368)	(7,287,313)
	7,073,701	**3,608,921**

6. CLAIMS FOR TAX REFUND

In US Dollar	31 March 2021	31 March 2020
March 2017 corporate income tax ("CIT")	739,524	739,524
March 2019 CIT	539,467	718,790
Other tax articles	1,144,024	1,124,897
	2,423,015	**2,583,211**

On March 2017 CIT, in August 2018 the Company was deemed by the tax office an underpayment of IDR 7,707 million (equivalent to USD 389,270) instead of overpayment of USD 350,254. The Company disagreed with the assessment and in February 2020, has filed an appeal letter. The hearing is ongoing.

On March 2019 CIT, in August 2020 the Company was deemed by the tax office an overpayment of USD 179,223 instead of overpayment of USD 718,790. The Company compensated USD 158,812 to tax payable and write off the remaining USD 20,511 as expense. In December 2020, the Company filed an objection for the remaining unclaimed overpayment amounted to USD 539,467. The tax audit is ongoing.

Other tax articles represent various additional tax assessments totaling IDR 18,411 million (equivalent to USD 1,274,647) deemed by the tax office on VAT and income tax article 26. The Company disagreed with the assessment and in February 2020 has filed an appeal letter. The hearing is ongoing.

In August 2020, the Company was deemed by the tax office for the additional various tax assessments totaling IDR 12,465 million (equivalent to USD 830,978) and filed an objection. The tax audit is ongoing.

7. ACCOUNT PAYABLES

In US Dollar	31 March 2021	31 March 2020
Payables arising from purchase of hardware, software and project related services are to:		
Non-related parties	448,518	1,499,400
Related parties	7,756,366	1,311,153
Sub-contracting and other expenses	5,867,728	4,111,557
	14,072,612	**6,922,110**

8. SHARE CAPITAL

The Company's authorized, issued and paid-up share capital amounted to USD 500,000 (500,000 shares at nominal value of USD 1 per share). The Company's shareholding as of 31 March 2021 and 2020 was as follows:

Shareholders	Number of shares	%	Nominal value
Tech Mahindra Limited, India	499,000	99.80	499,000
Mr. Manoj Bhat	1,000	0.20	1,000
	500,000	**100.00**	**500,000**

The Company has leased certain IT assets to a customer.

9. REVENUE

The Company generates revenue from the sale of hardware and software and provision of maintenance and other services.

In US Dollar	Year ended 31 March	
	2021	2020
Fixed-price development	3,419,711	3,394,635
Time and material	3,196,391	2,559,348
Fixed-price maintenance	34,734,297	17,441,987
	41,350,399	**23,395,970**

In US Dollar	Year ended 31 March	
	2021	2020
Major products/service	26,137,856	17,321,520
Rendering of services transferred over time	15,212,543	6,074,450
Sale of hardware/software transferred at a point in time	**41,350,399**	**23,395,970**

The contract assets primarily relate to the Company's right for consideration for work completed but not billed at the reporting date for its service. The following table provide information about contract assets from contracts with customers:

In US Dollar	Year ended 31 March	
	2021	2020
Beginning balance	4,431,754	4,726,112
Recognized as revenue	6,802,758	4,431,754
Transferred to receivables	(4,431,754)	(4,726,112)
Ending balance	**6,802,758**	**4,431,754**

The contract liabilities primarily relate to the advance consideration received from customers for periodic maintenance service package, for which revenue is recognized over time. This will be recognized as revenue upon performance of the services, which is expected to occur over the next 3 years. The movement in contract liabilities are as follows:

In US Dollar	Year ended 31 March	
	2021	2020
Beginning balance	325,150	452,153
Addition during the year	529,863	325,150
Recognized as revenue during the year	(325,150)	(452,153)
Ending balance	**529,863**	**325,150**

10. COST OF REVENUE

This account represents the costs incurred in developing the billing and customer care system, which consist of hardware, software and services.

11. OPERATING EXPENSES

In US Dollar	Year ended 31 March	
	2021	2020
Employees' salaries and compensations	6,590,001	6,587,149
Tax penalties	982,907	1,949,903
Professional fees	558,036	670,337
Telecommunication	315,018	76,810
Travel	216,310	301,719
General office expenses	166,048	159,323
Insurance	112,661	100,381
Recruitment	75,411	41,530
Depreciation	53,295	59,687
Bank charges	36,872	40,778
Entertainment expense	12,753	107,833
Printing and stationery	1,458	2,886
Conveyance	317	4,829
Other	49,425	20,474
	9,170,512	**10,123,639**

12. INCOME TAX

In US Dollar	Year ended 31 March	
	2021	2020
Current tax expense:		
Current year	2,120,598	1,390,165
Adjustments to prior years' tax expense	(40,594)	(23,917)
Deferred tax expense (benefit)	(57,407)	456,108
	2,022,597	**1,822,356**

Income tax expense is reconciled with profit before tax as follows:

In US Dollar	Year ended 31 March	
	2021	2020
Profit before tax	8,341,472	4,340,652
Statutory tax rate	22%	25%
	1,835,124	**1,085,163**
Non-deductible expenses	228,067	371,811
Current year unrecognized tax losses	-	(16,000)
Current year's unrecognized deferred tax assets	-	405,299
Adjustments to prior years' tax expense	(40,594)	(23,917)
Income tax expense	**2,022,597**	**1,822,356**

Recognized deferred tax balances, and the movement thereof during the year comprised of the following:

In US Dollar	31 March 2019	Recognized in profit or loss	Recognized in other comprehensive income	31 March 2020	Recognized in profit or loss	Recognized in other comprehensive income	31 March 2021
Employment benefits obligation	106,245	(16,065)	-	90,180	62,298	(21,087)	131,391
Fixed assets	154	1,937	-	2,091	(3,474)	-	(1,383)
Provision for impairment loss on account receivables	1,906,914	(441,980)	-	1,464,934	(1,417)	-	1,463,517
	2,013,313	**(456,108)**	**-**	**1,557,205**	**57,407**	**(21,087)**	**1,593,525**

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

The Company's tax positions may be challenged by the tax authorities. The Company's tax positions are formed on sound technical basis, in compliance with the tax regulations. Accordingly, management has assessed that the outstanding refundable taxes can be recovered, and the accruals for potential income tax liabilities is not necessary. This assessment relies on estimates and assumptions and may involve judgment about future events. New information may become available that causes management to change its judgment. Such changes will impact tax expense in the period in which such determination is made.

Pursuant to Law No. 2/2020, the corporate income tax rate is reduced from the previous statutory rate of 25% to 22% for 2020 and 2021, and to 20% for 2022 onwards (25% was the applied statutory tax rate in 2019).

13. LEASE RECEIVABLES

The Company has given hardware and software on finance lease. The transaction pertains to purchase of assets from its customer and lease back with lease amount fair valued at IDR 100,123 million (equivalent to USD 6,895,564). The lease period is 7 years from February 2020 to January 2027 and is discounted using an interest rate of 6%. As per the arrangement, on termination event or on closure of contract, Customer will buy the acquired assets at the unamortized value at the time of such event. There is no collateral pledged in this transaction. The lease receivables as at reporting dates are as follows:

In US Dollar	**31 March 2021**
Minimum lease receivables	
- Less than one year	1,863,469
- One to five years	4,085,726
	5,949,195
Present value of minimum lease receivables	
- Less than one year	1,996,760
- One to five years	3,622,554
	5,619,314

14. RELATED PARTY INFORMATION

Nature of Relationship

a. Tech Mahindra Limited, India, is the majority stockholder and the ultimate controlling party of the Company.

b. Comviva Technologies Limited, India, is an entity under common control of the ultimate controlling party.

c. Tech Mahindra ICT Services (Malaysia) SDN. BHD., is an entity under common control of the ultimate controlling party.

d. Key management personnel

- Mr. Pranab Choudhary is Director and the Country Head of the Company
- Mr. Manish Goenka is Director and Regional Head of the Company
- Mr. Puneet Kumar Chadha is Director and the Head of Operations of the Company

Transactions with Related Parties

The Company has related party transactions with its controlling entity and other entities which are controlled directly or indirectly by the Tech Mahindra Group or over which they exercise significant influence.

a. Other receivables:

In US Dollar	**31 March**	
	2021	**2020**
Tech Mahindra Limited, India	5,633	47

b. The purchase and related payables arising from services obtained by the Company from related parties are as follows:

In US Dollar	Year ended 31 March	
	2021	2020
Purchase of hardware, software and procurement of services	3,447,392	1,083,575
Reimbursement of expenses	5,534,547	-
	8,981,939	**1,083,575**

In US Dollar	31 March	
	2021	2020
Account payables		
Tech Mahindra Limited, India	3,376,458	1,291,548
Tech Mahindra ICT Services (Malaysia) SDN. BHD.	4,331,308	-
Comviva Technologies Limited, India	48,600	19,605
	7,756,366	**1,311,153**

In US Dollar	31 March	
	2021	2020
Accrued expenses		
Tech Mahindra ICT Services (Malaysia) SDN. BHD.	1,574,657	-
Comviva Technologies Limited, India	166,559	883,014
	1,741,216	**883,014**

c. Total remuneration incurred by the Company for its key management personnel during the years ended 31 March 2021 and 2020 are USD 291,763 and USD 292,790 respectively.

15. FINANCE INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

The Company's financial assets and liabilities are expected to be realized or settled in the near term. Therefore, their carrying amounts approximate their fair values.

Financial risk management

The main risk arising from the Company's financial instruments are market risk, credit risk and liquidity risk.

i. Market risk management

The Company's market risk is limited to the financial risk of changes in foreign currency rates. Mainly transaction in foreign currency rate was settled in short-term, except for non-trade transaction with related parties. Based on these, management considers that the Company's exposure to market risk is minimal.

ii. Credit risk

Credit risk is the risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk principally arises from trade receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company minimizes its exposure to credit risk of trade receivables and contract assets by assessing and monitoring the credit worthiness of customers. The exposure is also further limited by mandating payment terms of no longer than 60 days.

The Company's most significant customer an Indonesian telecommunications service provider, accounts for USD 3.55 million of the trade receivables and contract assets carrying amount at 31 March 2021 (31 March 2020: USD 3.3 million).

An analysis of the credit quality of trade receivables and contract assets is summarized below:

In US Dollar	31 March	
	2021	2020
Not past due	9,437,214	2,170,941
Less than 90 days past due	3,186,165	443,962
91 days to 1 year past due	995,202	993,971
1 year and above past due	257,877	-
	13,876,459	**3,608,874**

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2021:

In US Dollar	31 March 2021		
	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	1%	9,540,437	(103,222)
Less than 90 days past due	3%	3,284,167	(98,002)
91 days to 1 year past due	16%	1,190,277	(195,074)
1 year and above past due	96%	7,354,946	(7,097,070)
		21,369,827	**(7,493,368)**

Comparative amounts for 2019 represent the allowance account for impairment losses under PSAK 55. The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

In US Dollar	31 March	
	2021	2020
Balance at 1 April per PSAK 55	7,287,313	7,590,310
Adjustment on initial application of PSAK 71	-	-
Balance at 1 April per PSAK 71	7,287,313	7,590,310
Amounts written off	(259,525)	-
Net remeasurement of loss allowance	465,580	(302,997)
Balance at 31 March	**7,493,368**	**7,287,313**

Cash in banks

The Company's cash in banks are deposited at reputable banks that are subject to tight regulations, therefore, the exposure to loss is minimized.

iii. Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities:

In US Dollar	Carrying amount	Contractual cash flows within 1 year
31 March 2021		
Account payables	14,072,613	14,072,613
31 March 2020		
Bank overdraft	560,855	560,855
Account payables	6,922,110	6,922,110
	7,482,965	**7,482,965**

Capital risk management

The Company manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity.

Management periodically reviews the Company's capital structure. As part of this review, management considers the cost of capital and related risk.

16. RECLASSIFICATION OF ACCOUNTS

Certain accounts in financial statements for the year ended 31 March 2020 have been reclassified to conform with the presentation of accounts in the financial statements for the year ended 31 March 2021. A comparison of the amounts as previously reported and as reclassified for the year ended 31 March 2020 is as follows:

In thousands of Rupiah	As previously reported	Reclassification	As reclassified
Statement of profit or loss and other			
Comprehensive income			
Operating expenses	(9,554,140)	(569,499)	(10,123,639)
Income tax expense	(2,391,855)	569,499	(1,822,356)

The reclassification did not affect the total assets, total liabilities, total operating, investing and financing cash flows as of and for the year ended 31 March 2020 as previously reported.

TECH MAHINDRA (NIGERIA) LIMITED

BOARD OF DIRECTORS:

Chief (Mrs.) Faidat Oreagba	Director (Nigerian)
Mr. Sriram Veeravalli Sevellimedu	Director (Indian)
Mr. Ayan Chatterjee	Director (Indian)

OFFICE ADDRESS:

3rd Floor Coscharis Plaza
68A Adeola Odeku Street
Victoria Island,
Lagos.

COMPANY SECRETARY:

Probitas Partners
70 Queens Street
Off Herbert Macaulay Way
Yaba Lagos, Nigeria.

INDEPENDENT AUDITORS:

Grant Thornton Nigeria
(Chartered Accountants)
2A Ogalade Close
Off Ologun Agbaje Street
Off Adeola Odeku Street
Victoria Island
Lagos.

BANKER:

Citibank Nigeria Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors submit their report together with the audited financial statements for the year ended 31 March 2021, which disclose the state of affairs of the company.

Legal Form

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on August 18, 2009. It commenced full operation in January 2011.

Principal Activity

The principal activity of the company is to provide global solution on information technology to various sector of the economy. It is engaged in directing, operating, managing, investing in or providing telecommunication, networking, communication, internet information and other information technology related services.

Directors

The directors who held office during the year and to the date of this report were:

Chief (Mrs.) Faidat Oreagba	Director
Mr. Sriram Veeravalli Sevellimedu	Director
Mr. Ayan Chatterjee	Director

Directors Shareholding

The direct and indirect interests of directors in the issued share capital of the company as recorded in the register of directors shareholding and /or as notified by the directors for the purposes of sections 301 of the Companies and Allied Matters Act 2020 are:

		No. of shares	% Holding
Chief (Mrs.) Faidat Oreagba	Director	Nil	Nil
Mr. Sriram Veeravalli Sevellimedu	Director	Nil	Nil
Mr. Ayan Chatterjee	Director	Nil	Nil

Shareholders	No. of shares	% Holding
Tech Mahindra Limited India	153,040,025	99.99%
Manoj Bhat	1	0.01%
	153,040,026	**153,040,026**

Directors' interest in contracts

For the purpose of section 303 of the Companies and Allied Matters Act 2020, none of the directors has notified the company of any direct or indirect interest in contracts or proposed contracts with the company during the year.

Parent & subsidiary Information

Parent company of the entity is Tech Mahindra Limited India

Donations and Charitable Gifts

There were no donations made during the year.

Human Resources

Employment of disabled persons

The company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The company's policy prohibits discrimination of disabled person in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the company continues and appropriate training arranged to ensure that they fit into the company's working environment.

Health, Safety and welfare at work

The company enforces strict health and safety rules and practices at work environment, which are reviewed and tested regularly. The company retains top-class private hospitals where medical facilities are provided for staff at the company's expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the company's premises.

The company operates both Group Personal Accident and contributing to the Nigeria Social Insurance Trust Fund in compliance with the requirements of Employees Compensation Act (ECA), 2010. It also operates a contributory pension plan in line with the Pension Reform Act, 2004.

Employee involvement and training

The company ensures, through various form, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

In accordance with the company's policy of continuous development, training facilities are provided in the company's training school. In addition, employees of the company are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training.

Independent Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act 2020, Messrs. Grant Thornton (Chartered Accountants) is appointed as Auditors to the Company having indicated their willingness to do so.

BY ORDER OF THE BOARD
Probitas Partners
70 Queens Street
Off Herbert Macaulay Way Yaba
Lagos, Nigeria.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2021

The Companies and Allied Matters Act 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of each financial year and its profit or loss. The responsibilities include ensuring that the company:

- Keeps proper accounting records that disclose with accuracy, the financial position of the company and comply with the requirement of the Companies and Allied Matters Act;
- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the interim financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the International Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act 2020.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Chief (Mrs.) Faidat Oreagba	**Mr. Ayan Chatterjee**
Director	**Director**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tech Mahindra (Nigeria) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tech Mahindra Nigeria Limited (the Company), which comprise the statement of financial position as at 31 March 2021, and the Statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria Act No. 6, 2011 and the provision of the Companies and Allied Matters Act 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the financial statements, which indicate that the Company had an accumulated loss of ₦ 4,587,626,451 as at 31 March 2021 and as of that date, the Company's total liabilities exceeded its total assets by ₦ 4,434,568,425. As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

i) 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.

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

iv) Conclude on the appropriateness of management's use of the going concern of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

The Companies and Allied Matters Act 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

ii) In our opinion, proper books of account have been kept by the company; and

iii) The Company's Statement of Financial Position and Statement profit or loss are in agreement with the books of account.

Uchenna Okigbo, FCA
FRC/2016/ICAN/00000015653
FOR: GRANT THORNTON
(CHARTERED ACCOUNTANTS)
LAGOS, NIGERIA.

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		₦	₦
Revenue	7	1,116,776,263	890,526,193
Cost of services	8	(732,666,733)	(412,232,030)
Gross profit		**384,109,530**	**478,294,163**
Other income	9	164,291,733	58,656,479
Expenses			
Administrative expenses	10	(633,462,784)	(1,650,455,896)
Operating Loss		**(85,061,521)**	**(1,113,505,254)**
Finance income	11	37,668,407	42,963,917
Finance cost	12	(8,161,136)	(12,487,661)
Loss Before Tax		**(55,554,250)**	**(1,083,028,998)**
Tax expense	14	(155,046,104)	(262,031,130)
Loss For The Year		**(210,600,354)**	**(1,345,060,128)**
Per Share Data:			
Basic loss per share		(1.38)	(8.79)

The notes on pages 1552 to 1568 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021	2020
		₦	₦
Assets			
Non-current Assets			
Property, plant & equipment	15	512,586	944,253
Deferred tax assets	14.3	511,357,065	386,622,287
Total Non-current Assets		**511,869,651**	**387,566,540**
Current Assets			
Prepayments	16	283,367,335	282,469,982
Trade and other receivables	17	2,302,055,746	1,543,690,096
Cash and cash equivalents	18	1,503,254,628	1,449,336,850
Total Current Assets		**4,088,677,709**	**3,275,496,928**
Total Assets		**4,600,547,360**	**3,663,063,468**
Equity and Liabilities			
Equity Attributable to Owners			
Share capital	19	153,040,026	153,040,026
Retained loss		(4,587,626,451)	(4,377,026,097)
		(4,434,586,425)	**(4,223,986,071)**
Liabilities			
Non-current Liabilities			
Borrowings	20	355,270,000	355,270,000
Total Non-current Liabilities		**355,270,000**	**355,270,000**
Current Liabilities			
Trade and other payables	21	8,617,491,630	7,474,693,226
Current tax liabilities	14.2	62,372,155	57,086,313
Total Current Liabilities		**8,679,863,785**	**7,531,779,539**
Total Liabilities		**9,035,133,785**	**7,887,049,539**
Total Equity and Liabilities		**4,600,547,360**	**3,663,063,468**

These accounts were approved by the Board of Directors on 22 June 2021 and signed on its behalf by:

Chief (Mrs.) Faidat Oreagba	**Mr. Ayan Chatterjee**
Director	**Director**

The notes on pages 1552 to 1568 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Equity Share	General Reserve	Total
	₦	₦	₦
Year Ended 31 March 2020			
Balance as at 1 April 2019	153,040,026	(3,031,965,969)	(2,878,925,943)
Loss for the year	-	(1,345,060,128)	(1,345,060,128)
Balance as at 31 March 2020	**153,040,026**	**(4,377,026,097)**	**(4,223,986,071)**
Year Ended 31 March 2021			
Balance as at 1 April 2020	153,040,026	(4,377,026,097)	(4,223,986,071)
Loss for the year	-	(210,600,354)	(210,600,354)
Balance as at 31 March 2021	**153,040,026**	**(4,587,626,451)**	**(4,434,586,425)**

The notes on pages 1552 to 1568 form an integral part of these financial statements.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	₦	₦
Cash flows from Operating Activities		
Loss before tax	(55,554,250)	(1,083,028,998)
Adjustments:		
Depreciation	431,666	2,327,169
Allowance for ECL	3,328,188	-
Exchange loss	369,126,519	1,117,740,049
Operating Loss Before Working Capital Changes	**317,332,123**	**37,038,220**
Changes in Working Capital:		
Changes in prepayments	(897,353)	110,157,009
Changes in trade and other receivables	(758,365,650)	97,004,395
Changes in trade and other payables	835,467,906	1,121,491,815
	393,537,026	**1,365,691,439**
Tax paid	-	(28,851,696)
Net Cash Flow from Operating Activities	**393,537,026**	**1,336,839,743**
Cash flow from Investing Activities:		
Acquisition of PPE	-	-
Net Cash flow from Investing Activities	**-**	**-**
Cash Flow from Financing Activities:		
Interest received	37,668,407	42,963,917
Interest paid	(8,161,136)	(12,487,661)
Net Cash Flow from Financing Activities	**29,507,271**	**30,476,256**
Net Cash Flow for the year	**423,044,297**	**1,367,315,999**
Cash and Cash Equivalents as at 1 April	1,449,336,850	1,199,760,900
Exchange difference	(369,126,519)	(1,117,740,049)
Cash and Cash Equivalents as at 31 March	**1,503,254,628**	**1,449,336,850**
Cash and Cash Equivalent Consist of :		
Cash at Bank	**1,503,254,628**	**1,449,336,850**

The notes on pages 1552 to 1568 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Nature of Operations

The principal activity of the company is to provide global solution on information technology to various sector of the economy. It is engaged in directing, operating, managing, investing in or provide telecommunication, networking, communication, internet information and other information technology related services.

2 General Information, statement of compliance with IFRS and going concern assumption

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2020 as a Private Limited Liability Company on 18 August 2009. It commenced full operation in January 2011. Its initial authorized share capital was 153,790,000 ordinary shares of N1.00. The company is wholly owned by Tech Mahindra India .

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The company's audited balances for the year under review are comparable with the prior year balances in all aspects.

2.1 Going Concern

We draw attention to the fact that the financial statements of Tech Mahindra Nigeria Limited for the year ended 31 March 2021 have the below concern indicators which might pose as a threat to the company's ability to continue as a going concern. We noted that;

- Presents a retained loss of ₦4,587,626,451
- Had a net current liability of ₦4,591,186,076
- Had a net liability position of ₦4,434,586,425

Management is however of the opinion that the going concern status of the company is not threatened and it is appropriate to prepare the financial statements on a going concern basis and hereby confirm specific assessment of the company's ability to continue as a going concern based on the following;

- The company will have sufficient funds, through funding from its immediate parent company (Tech Mahindra Limited India) to meet its liabilities and there is no indication that they will withdraw their support to the company.
- It is the intention of the parent company (Tech Mahindra Limited India) to provide any business supports, including financial support for the ordinary course of business whenever necessary.

To the extent the events and conditions are assessed, there were no significant doubts on the company's ability to continue and as such no material uncertainties exist. Consequently, they financial statements have been prepared under the assumption that the company operates on a going concern basis.

The financial statements for the year ended 31 March 2021 (including comparatives) were approved and authorised for issue by the board of directors of Tech Mahindra Nigeria Limited on 22 June 2021.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1st April 2020

Some accounting pronouncements which have become effective from 1 April 2020 and have therefore been adopted do not have a significant impact on the company's financial results or position

3.1.1 Definition of a Business (Amendments to IFRS 3)

The IASB has issued 'Definition of a Business (Amendments to IFRS 3)' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a company of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.

Changes to the Definition of a Business (Amendments to IFRS 3)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

* clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
* narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;

* add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
* remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
* add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

3.2.3 Definition of Material (Amendments to IAS 1 and IAS 8)

The International Accounting Standards Board (IASB) has issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves.

Changes and reasoning behind the changes

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments:

^ Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Three new aspects of the new definition should especially be noted:

* Obscuring. The existing definition only focused on omitting or misstating information, however, the Board concluded that obscuring material information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1 (IAS 1.30A).
* Could reasonably be expected to influence. The existing definition referred to 'could influence' which the Board felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote.
* Primary users. The existing definition referred only to 'users' which again the Board feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose.

Other Standards and amendments that are effective for the first time in 2020 (for an entity with a 31 March 2020 year-end) and could be applicable to the company are

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to Refences to the Conceptual Framework (Various Standards)
- COVID-19 Rent Related Concessions (Amendments to IFRS 16)

These amendments do not have a significant impact on these Financial Statements and therefore the disclosures have not been made.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company.

Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

Standards

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore the disclosures have not been made.

3.2.1 IFRS 17 - Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.

4 Significant Accounting Policies

4.1 Basis of preparation

The company's financial statements have been prepared on an accrual basis and under the historical cost convention. Monetary amounts are expressed in Nigerian currency (₦).

4.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Nigerian naira (₦), which is also the functional currency of all the companies within the company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entities, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the company's financial statements, all assets, liabilities and transactions with functional currencies other than the Naira are translated into Naira upon consolidation. The functional currencies of entities within the company have remained unchanged during the reporting period.

4.3 Revenue

Revenue arises mainly from on-site/offshore services and hardware/software system services.

To determine whether to recognise revenue, the company follows a 5-step process:

1. - Identifying the contract with a customer
2. - Identifying the performance obligations
3. - Determining the transaction price
4. - Allocating the transaction price to the performance obligations
5. - Recognising revenue when/as performance obligation(s) are satisfied.

The company often enters into transactions involving a range of the company's services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.3.1 Onsite and offshore revenue

The entity's revenue is derived from the provision of onsite and offshore services to customers, majorly corporate bodies. Irrespective of the type of services, onsite or offshore services rendered are all categorised as revenue. Revenue is recognized upon completion of project. In some cases, if work is monthly for a fixed period, revenue is recognised monthly as it is due. Once the percentage of completion is received, the project revenue is updated monthly for a fixed period.

4.4 Operating expenses

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred. Expenditure for warranties is recognised when the company incurs an obligation, which is typically when the related services are rendered.

4.5 Earnings Per Share, Interests and dividends

Basic earnings per share have been calculated using the profit attributable to shareholders of the parent company as the numerator, i.e. no adjustments to profit were necessary in 2020 or 2019. Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.7 Property, plant and equipment

Land

Land held for use in production or administration is stated at revalued amount. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, IT equipment and other equipment

Buildings, IT equipment and other equipment (comprising fittings & furniture, plants & machinery, vehicle & laboratory equipment and fire fighting equipment) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the company’s management. Buildings, IT equipment and other equipment are subsequently measured at revalued amount and cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the revalued amount and cost less accumulated depreciation of buildings, computer and other equipment. The following useful lives are applied:

Motor Vehicles	3 - 5 years
Computer Equipment	3 years
Furniture and Fittings	5 - 10 years
Plant and Machinery	5 - 10 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Impairment testing of property, plant and equipment

For impairment assessment purposes, assets are companyed at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset’s (or cash-generating unit’s) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset’s or cash-generating unit’s recoverable amount exceeds its carrying amount.

4.8 Financial instruments

4.8.1 Recognition, and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

4.8.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented, the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:

* the entity's business model for managing the financial asset
* the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

4.8.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unquoted securities and listed equity securities at fair value through other comprehensive income (FVOCI). The equity investment in unquoted securities was measured at cost less any impairment charges in the comparative period under IAS 39, as it was determined that its fair value could not be estimated reliably. In the current financial year, the fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The company accounts for financial assets at FVOCI, if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

4.8.4 Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been companyed based on the days past due.

4.8.5 Classification and measurement of financial liabilities

The company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.9 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the company does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.11 Non-current assets and liabilities classified as held for sale and discontinued operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations

4.12 Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Retained earnings include all current and prior period retained profits and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

4.13 Post-employment benefits and short-term employee benefits

Post-employment benefit plans

The company provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

The company pays fixed contributions into independent entities in relation to several state plans and insurances for individual employees. The company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

Under the company's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the company expects to pay as a result of the unused entitlement.

4.14 Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

5 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

5.1 Significant management judgements

The following are the judgements made by management in applying the accounting policies of the company that have the most significant effect on the financial statements.

5.1.1 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

5.1.2 Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In 2019, the company would recognise an impairment loss on goodwill if there are indications.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and computer equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

6 Financial Risk Management

6.1 Introduction

The company uses its financial skills to provide competitive product pricing and delivery to a broad range of customers.

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the company;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

The company has exposure to significant risks which are categorised as follows:

(i) Regulatory (capital adequacy, legal, accounting and taxation);

(ii) Business environment (reputation and strategic);

(iii) Operational (people, information technology and internal control processes);

(iv) Market (equity prices, interest rate and currency); and

(v) Liquidity

6.2 Detailed discussion of significant risks

6.2.1 Regulatory risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the company. In order to manage this risk, the company is an active participant in the petroleum industry and engages in discussions with policy makers and regulators.

6.2.2 Legal risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.

The company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 March 2021, the directors are not aware of any significant obligation not provided for.

6.2.3 Taxation risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

- **Transactional risk**

  The risk which concerns specific transactions entered into by the company, including restructuring projects and reorganisations.

- **Operational risk**

  The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

- **Compliance risk**

  The risk associated with meeting the company's statutory obligations.

- **Financial accounting risk**

  The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:

The company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
- The company continually reviews its existing operations and planned operations in this context; and
- The company ensures that, where clients participate in company products, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

6.2.4 Accounting risk

Accounting risk is the risk that the company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and
- Be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the company.

6.3 Business environment

6.3.1 Reputational risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

6.3.2 Strategic risk

Strategic risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

6.3.3 Company risk

Company risk identifies and assesses both those risks qualitatively as part of a quarterly evaluation. On the basis of this evaluation, company risk creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the company and regularly informs directors and management.

6.3.4 Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

6.3.5 Market risk

Market risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk and market price risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

6.3.6 Interest rate and market price risk

These risks have very different impacts on the various categories of business used in the company's Assets and Liabilities Management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

6.3.7 Interest rate risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

6.3.8 Equity price risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

6.3.9 Foreign currency risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term imbalances.

6.3.10 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:

* Certain classes of financial assets such as term deposits and cash and cash equivalent; and
* Certain accounts within trade and other receivables.

Financial assets

Various debt instruments are entered into by the company in order to invest surplus shareholder funds. The company is exposed to the issuer's credit standing on these instruments.

The following policy and procedure is in place to mitigate the company's exposure to this credit risk:

* Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the company's Audit Committee and the company's board.

Age analysis of receivables (Net)	**2020**	**2019**
	₦,000	**₦,000**
1 - 90 days	662,883,305	318,150,378
91 - 180 days	69,679,620	33,442,685
181 - 270 days	51,274,798	
271 - 356 days		24,609,303
365 and above	399,816,172	191,891,492
	1,183,653,896	**568,093,858**

6.3.11 Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on 360-day lookout period are identified monthly. Net cash requirements are compared to available the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding by keeping committed credit lines available.

Financial Liabilities

31 March 2021	1 - 12 Months	13 Months & above
	₦,000	**₦,000**
Borrowings		355,270
Trade and other payables	8,617,492	
Total	**8,617,492**	**355,270**
31 March 2020		
Borrowings		355,270
Trade and other payables	7,474,693	
Total	**7,474,693**	**355,270**

Sensitivity Analysis

Management applies a number of sensitivity tests to the earnings of the Group to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following “reasonable possible” changes in each of the factors to which the Group is exposed. Management has set the upside and downside movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation date. These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound and interval which may be expected to contain 50% of the changes in the coming year. Management believes this represents in some sense what is “reasonably possible”, though it is important to note that this opinion is based on past experience and the tested range is not sensitive to all the relevant information in the market at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:

* The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints although this may be reviewed in the following year.
* The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjusted for. This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year.

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in management’s opinion that, these assumptions will change over the following year.

It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

		2021	2020
		₦	₦
7	**Revenue**		
	Onsite and offshore revenue	1,078,729,692	890,526,193
	Hardware and software system revenue	38,046,571	-
		1,116,776,263	**890,526,193**

Revenue relate to onsite/offshore and hardware/software system services rendered to customers. Revenue is recognized once the percentage of work completed is received.

		2021	2020
8	**Cost of Services**		
	Subcontracting - onsite and offshore	732,666,733	412,232,030
		732,666,733	**412,232,030**

Subcontracting Expenses

Subcontracting expenses relate to costs that are incured for hiring subcontractors to render a particular service on behalf of the company.

		2021	2020
9	**Other Income**		
	Exchange gain	-	58,656,479
	Sundry balance write back	164,291,733	-
		164,291,733	**58,656,479**
10	**Administrative Expenses**		
	Employee benefit expenses	82,219,573	79,726,690
	Depreciation	431,666	2,327,169
	Audit fees	6,300,000	6,050,000
	Allowance for ECL	3,328,188	-
	Bank charges	1,826,050	2,330,657
	Exchange loss	369,126,519	1,176,396,528
	General expenses	-	239,648,566
	Guest house expenses	14,473,473	10,742,729
	Insurance	-	1,665,000
	Legal expenses and professional fees	56,918,509	52,418,045
	Motor running expenses	18,736,300	12,416,330
	Office running expenses	22,832,900	25,390,325
	Rent	42,120,226	21,615,908
	Telephone, internet and postage	796,000	576,000
	Travelling and conveyance	14,353,380	19,151,949
		633,462,784	**1,650,455,896**

Administrative expenses consist of the expenses listed above. Personnel cost emolument relates to cost incurred on staff remuneration; General expenses represent expenses incurred on miscellaneous charges; Office running expenses represents water charges, utility bills and other office expenses, etc.

		2021	2020
10.1	**Employee Benefit Expenses**		
	Salaries and wages	76,492,244	79,597,110
	Bonus, allowances and incentives	5,727,329	-
	Staff welfare	-	129,580
		82,219,573	**79,726,690**

Personnel cost relates to cost incured in retaining the existing personnel as well as hiring the new once.

		2021	2020
		₦	₦
10.2	**Depreciation**		
	Motor vehicle	431,666	1,489,999
	Computer equipment	-	677,020
	Furniture & fittings	-	160,150
		431,666	**2,327,169**

Depreciation expenses represent a portion of the cost of plant and equipment that is matched in consideration to the useful life of the assets during the year.

		2021	2020
11	**Finance Income**		
	Interest income	37,668,407	42,963,917
		37,668,407	**42,963,917**

Interest income relates to income on fixed deposit.

		2021	2020
12	**Finance Cost**		
	Interest expenses	8,161,136	12,487,661
		8,161,136	**12,487,661**

The finance cost relates to interest and similar charges on related party loan.

		2021	2020
13	**Expenses by nature**		
	Personnel expenses	82,219,573	79,726,690
	Depreciation	431,666	2,327,169
	General expenses	627,512,546	1,647,549,239
		710,163,785	**1,729,603,098**
14	**Taxation**		
14.1	**Income tax recognized in income statement**		
	Current tax		
	Company income tax	5,285,842	13,099,250
	Prior year under provision	245,108,780	-
		250,394,622	**13,099,250**
	Deferred tax		
	Deferred tax expense recognized	(95,348,518)	248,931,880
	Total income tax expenses recognized in the yea	**155,046,104**	**262,031,130**
14.2	**Current Tax Liabilities**		
	Balance as at 1 April	57,086,313	72,838,759
	Prior year under provision	245,108,780	
	Provision for the year	5,285,842	13,099,250
		307,480,935	**85,938,009**
	WHT credit utilised	(245,108,780)	-
	Payment during the year	-	(28,851,696)
	As at 31 March	**62,372,155**	**57,086,313**

	2021	2020
	₦	₦
14.3 Deferred Tax Assets		
Balance as at 1 April	386,622,287	635,554,167
Movement during the year	124,734,778	(248,931,880)
As at 31 March	**511,357,065**	**386,622,287**

15 Property, Plant & Equipment

	Motor Vehicle	Plant & Machinery	Computer Equipment	Furniture & Fittings	Office Equipment	Total
	₦	₦	₦	₦	₦	₦
Cost						
As at 31 March 2019	22,641,875	4,193,223	7,065,386	8,055,000	422,000	42,377,484
Additions during the year	-	-	-	-	-	-
As at 31 March 2021	**22,641,875**	**4,193,223**	**7,065,386**	**8,055,000**	**422,000**	**42,377,484**
Depreciation						
As at 31 March 2019	22,003,524	4,132,280	7,046,585	7,842,926	407,916	41,433,231
Charge for the year	431,666	-	-	-	-	431,666
As at 31 March 2021	**22,435,191**	**4,132,280**	**7,046,585**	**7,842,926**	**407,916**	**41,864,898**
Carrying Amount						
As at 31 March 2021	**206,684**	**60,943**	**18,801**	**212,074**	**14,084**	**512,586**
As at 31 March 2020	**638,351**	**60,943**	**18,801**	**212,074**	**14,084**	**944,253**

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

The company's property, plant and equipment has not been pledged as security for loan.

	2021	2020
	₦	₦
16 Prepayments		
Prepaid rent	2,420,291	18,778,331
Advance to suppliers	280,947,044	263,691,651
	283,367,335	**282,469,982**
17 Trade and Other Receivables		
Trade receivables	1,132,379,097	568,093,858
Allowance for ECL	(9,128,188)	(5,800,001)
	1,123,250,909	**562,293,857**
Withholding tax receivable	895,592,441	880,348,906
Staff receivables	4,223,070	4,089,497
Intercompany receivables	278,989,326	91,122,412
Other Receivable	-	5,835,424
	2,302,055,746	**1,543,690,096**

All amounts are short-term. The net carrying value of trade receivables is considered to be at fair value.

		2021 ₦	2020 ₦
18	**Cash and Cash Equivalent**		
	Cash at Bank	53,251,265	249,336,852
	Short term deposit	1,450,003,363	1,199,999,998
		1,503,254,628	**1,449,336,850**

The bank balance represent Citi Bank Plc balances as at year end, while short term deposit represents cash balance as at year end. These comprise of balances in foreign currencies that are translated at the period end, using the interbank rate as at 31 March 2021.

19	**Share Capital**		
	Authorized		
	153,790,000 Ordinary Shares of ₦1.00 each	**153,790,000**	**153,790,000**
	Issued and Fully Paid-Up		
	153,040,026 Ordinary Shares of ₦1.00 each	**153,040,026**	**153,040,026**

The share capital of Tech Mahindra (Nigeria) Limited consists only of fully paid ordinary shares with a nominal value of ₦1 each.

20	**Borrowing**		
	Loan from related party	355,270,000	355,270,000
		355,270,000	**355,270,000**

The loan from related party relates to unsecured loan from Tech Mahindra India for the purpose of capital projects and working capital operations.

21	**Trade and Other Payables**		
	Trade payables	536,415,327	311,343,809
	Accruals	559,736,105	210,292,358
	Intercompany payables	7,390,656,946	6,860,457,023
	VAT payable	114,910,201	91,683,454
	Withholding tax payable	15,773,051	916,582
		8,617,491,630	**7,474,693,226**

The carrying amount of trade and other payables are considered to be at their fair values.

22 Related Parties Transactions

This comprise of intercompany balances. Details of transactions and outstanding balances between the company and its related parties during the year are disclosed below:

22.1	**Employees**		
	Average number of persons employed during the year:	**Number**	**Number**
	Management staff	2	2
	Senior staff	2	2
	Junior staff	6	6
		10	**10**

22.2	**Parent Company - Tech Mahindra Limited India**		
	Opening balance	6,993,784,671	6,229,832,826
	Movement during the year	396,872,275	763,951,845

		2021	2020
		₦	₦
	Closing Balance as at 31 March	**7,390,656,946**	**6,993,784,671**
	Loan from Tech Mahindra Limited India	**355,270,000**	**355,270,000**
22.3	**COMVIVA Nigeria Limited**		
	Opening balance	91,122,412	401,033,228
	Movement during the year	95,327,259	(309,910,816)
	Closing Balance as at 31 March	**186,449,671**	**91,122,412**
	Loan to COMVIVA Nigeria Limited	**92,530,655**	**92,530,655**

23 Events After The Reporting Date

There were no significant adjusting or non-adjusting events after the reporting date based on the opinion of the directors which could have had a material effect on the financial statements. COVID-19 pandemic is considered to be a non-adjusting event which is still on after the reporting date.

The company is actively and continuously monitoring the ongoing and potential impacts of the pandemic in order to mitigate and minimise the impact on its business.

24 Authorization of Financial Statements

The financial statements for the year 31 March 2021 (including comparatives) were approved by the board of directors on 22 June 2021.

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	₦		₦	
Revenue	1,116,776,263		890,526,193	
Other income	164,291,733		58,656,479	
Purchase of goods and other services	(1,150,461,353)		(2,186,602,030)	
Value Added	**130,606,643**	**100%**	**(1,237,419,358)**	**100%**
Applied as follows:				
To pay employees:				
Salaries, wages and other benefits	82,219,573	63%	79,726,690	69%
To pay government:				
Income and education taxes	250,394,622	192%	13,099,250	4%
To Pay Providers of Capital:				
To pay interest	8,161,136	6%	12,487,661	0%
Assets replacement provision:				
Depreciation	431,666	0%	2,327,169	7%
To provide for the future:				
Retained loss	(210,600,354)	-161%	(1,345,060,128)	20%
	130,606,643	**100%**	**(1,237,419,358)**	**100%**

Value added represents the wealth created through the efforts of the company, its management and employees. The statement shows the distribution of the generated wealth amongst company employees, the government, providers of capital and amount retained for future creation of wealth.

TECH MAHINDRA (NIGERIA) LIMITED

FIVE YEAR FINANCIAL SUMMARY

	2021	2020	2019	2018	2017
Statement of Financial Position	**₦**	**₦**	**₦**	**₦**	**₦**
Assets Employed					
Non-current assets	511,869,651	387,566,540	638,825,586	609,054,799	165,931,623
Current assets	4,088,677,709	3,275,496,928	3,282,745,791	4,512,260,653	5,634,042,363
Total Assets	**4,600,547,360**	**3,663,063,468**	**3,921,571,377**	**5,121,315,452**	**5,799,973,985**
Financed By					
Share capital	153,040,026	153,040,026	153,040,026	153,040,026	153,040,026
Retained loss	(4,587,626,451)	(4,377,026,097)	(3,032,523,971)	(2,766,144,478)	(899,193,565)
Non-current liabilities	355,270,000	355,270,000	355,270,000	355,270,000	457,593,800
Current liabilities	8,679,863,785	7,531,779,539	6,445,785,321	7,379,149,903	6,088,533,724
Total Equity & Liabilities	**4,600,547,360**	**3,663,063,468**	**3,921,571,377**	**5,121,315,452**	**5,799,973,985**
Income Statement					
Revenue	1,116,776,263	890,526,193	686,595,036	846,305,477	3,087,501,790
Loss before tax	(55,554,250)	(1,083,028,998)	(48,490,559)	(2,293,002,500)	(1,330,579,488)
Tax expense	(155,046,104)	(262,031,130)	(218,446,934)	426,051,587	(59,137,914)
Loss for the year	**(210,600,354)**	**(1,345,060,128)**	**(266,937,493)**	**(1,866,950,913)**	**(1,389,717,402)**
Per Share Data {in NGN (₦)}					
Loss per share	(1.38)	(8.79)	(1.74)	(12.20)	(9.08)
Total assets per share	30.06	23.94	25.62	33.46	37.90

TECH MAHINDRA SOUTH AFRICA PROPRIETARY LIMITED

MANAGEMENT CERTIFIED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

Board of Directors
Mr. Lakshminarayanan Ravichandran
Mr. Abdul Ismail
Mr. Rikash Hurdeen
Ms. Dhanashree Bhat
Mr. Kamal Singh Ramsingh

Registered Office
56 Karee Drive,
Walton Road,
Carlswald,
Gauteng
1685

Bankers
HSBC Bank

TECH MAHINDRA SOUTH AFRICA PROPRIETARY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Particulars	Note(s)	2021 Rand	2020 Rand
Assets			
Non Current Assets:			
Property and equipment	2	168,339	171,267
Deferred tax asset	16	5,662,066	2,058,521
		5,830,405	**2,229,788**
Current Assets:			
Unbilled revenue	3	136,450,903	159,949,889
Trade and other receivables	4	117,561,641	69,646,361
Rental deposit		37,253	37,253
Cash and cash equivalents	5	134,456,600	86,137,783
Other current assets	6	10,929	20,548
Income tax assets		1,614,969	5,442,523
Total		**390,132,295**	**321,234,357**
Total assets		**395,962,700**	**323,464,145**
Equity and Liabilities			
Equity:			
Share capital	7	100	100
Accumulated profit		69,596,714	29,989,061
		69,596,814	**29,989,161**
Current Liabilities:			
Trade and other payables	8	322,652,065	281,390,738
Other current liabilities	9	3,162,510	2,454,542
Provisions	10	551,311	519,622
Income tax liabilities		-	9,110,082
Total liabilities		**326,365,886**	**293,474,984**
Total Equity and Liabilities		**395,962,700**	**323,464,145**

Ram Ramachandran

Date : 10th July ,2021

Ayan Chatterjee

Date : 10th July ,2021

STATEMENT OF COMPREHENSIVE INCOME

Particulars	Note(s)	2021 Rand	2020 Rand
Revenue			
Revenue	11	296,963,682	339,418,195
		296,963,682	**339,418,195**
Cost of sales			
Cost of services rendered		(256,525,306)	(279,417,310)
		(256,525,306)	**(279,417,310)**
Gross profit		**40,438,376**	**60,000,885**
Operating expenses	12	(31,879,314)	(56,562,643)
Other income	13	46,671,822	557,343
Operating Profit		**55,230,884**	**3,995,585**
Finance costs	15	(213,488)	(14,623)
Interest income	14	316,659	1,048,921
Profit before taxation		**55,334,055**	**5,029,883**
Taxation	16	(15,726,402)	(1,595,865)
Profit after taxation		**39,607,653**	**3,434,018**
Total comprehensive income for the year		**39,607,653**	**3,434,018**

Ram Ramachandran

Date : 10th July ,2021

Ayan Chatterjee

Date : 10th July ,2021

STATEMENT OF CHANGES IN EQUITY

Particulars	Share Capital	Accumulated Profit	Total equity
	Rand	Rand	Rand
Balance at 31 March 2019	100	26,555,043	**26,555,143**
Total comprehensive income for the year	-	3,434,018	**3,434,018**
Balance at 31 March 2020	100	29,989,061	**29,989,161**
Total comprehensive income for the year	-	39,607,653	**39,607,653**
Balance at 31 March 2021	**100**	**69,596,714**	**69,596,814**

STATEMENT OF CASH FLOWS

Particulars	Note(s)	2021 Rand	2020 Rand
Cash flows from operating activities			
Cash generated from operations	17	72,920,221	60,965,050
Interest income		316,659	1,030,790
Finance costs		(213,488)	(14,623)
Cash generated from operating activities before taxes		**73,023,392**	**61,981,217**
Taxes paid	18	(24,612,475)	(4,682,559)
Net cash generated from operating activities		**48,410,917**	**57,298,658**
Cash flows from investing activities			
Property plant purchased during the year		(92,100)	(231,380)
Net cash from investing activities		**(92,100)**	**(231,380)**
Total cash movement for the year		48,318,817	57,067,278
Cash at the beginning of the year		86,137,783	29,070,505
Total cash at end of the year	5	**134,456,600**	**86,137,783**

ACCOUNTING POLICIES

1 Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs"), and the Companies Act No 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

The financial statements for the year ended 31 March 2021 were certified by Management on July 10, 2021.

1.1 Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method, over the estimated useful life of 4 years. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with effect of any changes in estimate accounted for on a prospective basis.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

The tax asset reflects the excess of tax paid by the company over the tax liability.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

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

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

1.3 Trade receivables

Trade receivable are stated at original invoice amount net of allowance for doubtful debts. An allowance against doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances and short term deposits with original maturities of three months or less.

1.5 Financial instruments

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

Financial assets or financial liabilities are initially recognized at the transaction price (including transaction cost except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes a financing transaction for either the Company or counter party. If the arrangement constitutes a financing transaction, the Company shall measure the financial assets or liability at the present value if the future payments discounted at the market rate of interest for a similar debt instrument. Subsequently at each financial position date, the Company measure financial instruments at amortized cost using effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability.

1.5 Financial instruments (continued)

Impairment of financial assets

The Company assess at the end of each reporting date whether there is any indication that an asset may be impaired. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1.6 Trade and other payables

Liabilities are recognized for amounts to be paid in the future for goods/services when risks and rewards attributable to goods are transferred to the Company or services are received, whether or not billed to the Company.

1.7 Provisions

“Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).”

1.8 Revenue

Revenue from information technology include revenue earned from services earned on time bound fixed price engagements and fixed price development contracts.

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

When the outcome of a transaction under fixed price development contracts can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Stage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Company has applied the guidance of section 23 of IFRS for SMEs by applying the revenue recognition criteria for each distinct performance obligation. In such arrangements hardware and software revenue is recognised on delivery and implementation and integration service is recognised as per stage of completion.

Unearned revenue arises when there are billing in excess of revenue.

Unbilled revenue is recognised when there is excess of revenue earned over billings and there is an unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Operating expenses

Operating expenses include indirect costs not specifically part of costs of revenue. Allocations between cost of revenue and operating expenses when required, are made on a consistent basis.

1.10 Employee costs

Employee cost directly attributable to service rendered is included in cost of revenue and indirect employee cost is included in operating expenses. Social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

The liability for leave provision represents the amount which the company have the present obligation to pay as a result of employees' services provided upto the reporting date. The liability has been calculated at undiscounted amounts based on last drawn salary.

1.11 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency of the company, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

1.12 Estimation uncertainties relating to the COVID-19 pandemic

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue and other assets. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

Notes to the Financial Statements

2 Property and equipment

Particulars	2021 Rand	2020 Rand
Computers		
Cost	323,480	231,380
Accumulated depreciation	(155,141)	(60,113)
Carrying value	**168,339**	**171,267**
Reconciliation		
Opening balance	171,267	-
Additions	92,100	231,380
Depreciation	(95,028)	(60,113)
Closing balance	**168,339**	**171,267**

3 Unbilled revenue

Particulars	2021 Rand	2020 Rand
Unbilled revenue	136,450,903	164,132,319
Provision for doubtful unbilled revenue	-	(4,182,430)
	136,450,903	**159,949,889**

4 Trade and other receivables

Particulars	2021 Rand	2020 Rand
Trade receivables	137,978,471	74,430,848
Trade receivables from related parties:		
Falcorp Technologies (Pty) Ltd	498,093	-
Provision for doubtful debts	(22,556,576)	(4,927,220)
	115,919,988	**69,503,628**
Other Advances	329,058	-
Staff advance for travelling	89,654	142,733
VAT Receivable	1,222,941	-
	1,641,653	**142,733**
	117,561,641	**69,646,361**
Movement in the provision for doubtful debts:		
Balance at the beginning of the year	4,927,220	5,710,625
Provision raised/(reversed) during the year	17,629,356	(783,405)
Closing balance	**22,556,576**	**4,927,220**

5 Cash and cash equivalents

Particulars	2021 Rand	2020 Rand
Cash and cash equivalents consist of:		
Bank balance - foreign US$ 216,350 at a rate of R 14.79 (2020: US$ 8,031 at a rate of R 17.89)	3,200,077	143,674
Bank balances - local	131,256,523	85,994,109
	134,456,600	**86,137,783**

6 Other current assets

Particulars	2021 Rand	2020 Rand
Accrued Interest on Fixed Deposit	10,929	20,548
	10,929	**20,548**

7 Share capital

The authorized share capital of the Company consists of 1000 shares of R1 each, issued and fully paid up.

Particulars	2021 Rand	2020 Rand
Authorised		
1000 Ordinary shares of R1 each	1,000	1,000

900 unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued		
100 Ordinary shares of R1 each	100	100

8 Trade and other payables

Particulars	2021 Rand	2020 Rand
Trade payables	100,047,672	105,119,573
Trade payables from related parties:		
Tech Mahindra Limited Incorporated In India	222,604,393	174,771,737
Comviva Technologies B.V.	-	1,499,428
	322,652,065	**281,390,738**

9 Other current liabilities

Particulars	2021 Rand	2020 Rand
Unearned Revenue	2,752,921	2,454,542
Other liabilities	409,589	-
	3,162,510	**2,454,542**

10 Provisions

Particulars	2021 Rand	2020 Rand
Leave provision	551,311	519,622
	551,311	**519,622**

11 Revenue

Particulars	2021 Rand	2020 Rand
Services rendered	296,963,682	339,418,195
	296,963,682	**339,418,195**

12 Operating expense

Particulars	2021 Rand	2020 Rand
Auditors remuneration	169,570	135,410
Bank charges	40,748	222,851
Consulting services	9,938,767	6,039,994
Donations	618,178	716,235
Employee costs	3,503,658	4,504,520
Lease rentals on operating lease	278,309	205,789
Loss on foreign exchange differences	-	37,365,787
Subscriptions	37,125	101,380
Telephone and fax	92,217	118,415
Provision for doubtful debts	15,342,470	(783,406)
Provision for doubtful unbilled revenue	-	4,182,430
Bad debts written off	-	1,734,180
Provision for doubtful advance	55,919	76,775
Director Fees	1,320,000	1,320,000
Travel - Other	11,482	163,191
Travel - Overseas	81,895	215,566
Miscellaneous expenses	388,976	243,526
	31,879,314	**56,562,643**

13 Other income

Particulars	2021 Rand	2020 Rand
Gain on foreign exchange differences	40,161,698	-
Excess provisions of earlier years written back	5,731,144	557,343
Bad debts recovered	733,801	-
Miscellaneous Income	45,179	-
	46,671,822	**557,343**

14 Interest income

Particulars	2021 Rand	2020 Rand
Other Interest		
Bank	316,659	1,048,921
	316,659	**1,048,921**

15 Finance costs

Particulars	2021 Rand	2020 Rand
Non-current borrowings	-	14,099
Interest and penalties paid	213,488	524
	213,488	**14,623**

16 Taxation

Major components of the income tax expense

Particulars	2021 Rand	2020 Rand
South africa normal taxation		
- Current	19,329,947	2,395,883
- Prior	-	1,202,586
Deferred tax		
- Current	(3,603,545)	(786,972)
- Prior	-	(1,215,632)
Total charge for the year	**15,726,402**	**1,595,865**

Tax rate reconciliation

Particulars	2021 Rand	2020 Rand
Profit before taxation	55,334,055	5,029,883
Taxation at 28%	15,493,535	1,408,367
Permanent differences:		-
Donation disallowed	173,090	200,544
Interest, penalties paid in respect of taxes	59,777	-
Excess/(short) provision in respect of earlier years	-	(13,046)
Total charge for the year	**15,726,402**	**1,595,865**

The following composed of Deferred tax asset recognised by the Company.

Particulars	Balance in 2020 Rand	Credited/ (Charged) to Profit and Loss Rand	Balance in 2021
Leave provision	145,494	8,873	154,367
Advance billing - Revenue classified as unearned	-	770,818	770,818
Provision for doubtful debts	1,913,027	2,823,854	4,736,881
	2,058,521.24	**3,603,545**	**5,662,066**

17 Cash generated from operations

Particulars	2021 Rand	2020 Rand
Profit before taxation	55,334,055	5,029,883
Add: Depreciation	95,028	60,113
Adjustments for:		
Interest income	(316,659)	(1,048,921)
Finance costs	213,488	14,623
Changes in working capital:		
Trade and other receivables	(47,915,280)	36,215,994
Unbilled revenue	23,498,986	(134,608,055)
Other Current Assets	9,619	18,088
Trade and other payables	41,261,327	166,996,386
Leave provision	31,689	261,342
Other Current Liabilities	707,968	(11,974,403)
	72,920,221	**60,965,050**

18 Income tax paid

Particulars	**2021**	**2020**
	Rand	**Rand**
Opening tax (asset)/liability net	3,667,559	4,751,649
Normal tax expense	19,329,947	3,598,469
Closing tax asset/(liability) net	1,614,969	(3,667,559)
	24,612,475	**4,682,559**

19 Related parties

Relationship

Ultimate Holding company

Tech Mahindra Limited

Shareholder with significant influence

Falcorp Technologies (Pty) Limited

Fellow Subsidiary

Comviva Technologies B.V.

Key Management Personnel

Abdul Ismail

Kamal Ramsingh

Rikash Hurdeen

Dhanashree Bhat

Lakshminarayanan Ravichandran

Related party balances and transactions with entities with control, joint control or significant influence over the company

In the normal course of business, the Company transacts with related parties.

Related party balances

Amounts owing to (by) related parties	**2020**	**2019**
	Rand	**Rand**
Tech Mahindra Limited Incorporated in India	222,604,393	174,771,737
Falcorp Technologies (Pty) Limited	(498,093)	(2,640,261)
Comviva Technologies B.V.	-	1,499,428
Abdul Ismail	40,000	40,000
Kamal Ramsingh	40,000	40,000
Rikash Hurdeen	40,000	40,000
	222,226,300	**173,750,904**

Tech Mahindra Limited Incorporated in India	**2021**	**2020**
	Rand	**Rand**
Balance at beginning of the year	174,771,737	98,990,909
Subcontracting Expenses	101,099,511	78,959,478
Reimbursement of Expenses Paid	80,722	709,355
Professional fees	67,125	-
Provision for doubtful debts reversed	1,132,672	-
Payments made	(14,146,229)	(34,687,746)
Foreign Exchange (Gain)/Loss	(68,693,603)	30,799,741
Balance at end of the year	**222,604,393**	**174,771,737**

Falcorp Technologies (Pty) Limited	**2021**	**2020**
	Rand	**Rand**
Balance at beginning of the year	(2,640,261)	894,385
Revenue for the year	-	(2,603,008)
Receipts from Customer	1,735,339	-
Software/Hardware and Project specific expenses	7,087,785	3,041,865
Consulting services (including VAT)	5,038,634	5,156,241
Rent Paid	277,976	205,789
Provisions set off	1,094,165	-
Director's Sitting Fees	840,000	760,000
Rent Deposit	37,253	(37,253)
Miscellaneous Expenses	-	49,195
Payments made	(13,968,984)	(10,107,475)
Balance at end of the year	**(498,093)**	**(2,640,261)**

Comviva Technologies B.V.	**2021**	**2020**
	Rand	**Rand**
Balance at beginning of the year	1,499,428	1,170,566
Software/Hardware and Project specific expenses	-	1,499,428
Payments made	(1,499,428)	(1,170,566)
Balance at end of the year	**-**	**1,499,428**

Director Fees	**2021**	**2020**
	Rand	**Rand**
Abdul Ismail	480,000	480,000
Kamal Ramsingh	360,000	360,000
Rikash Hurdeen	480,000	480,000
Total	**1,320,000**	**1,320,000**

20 Leases

The Company has taken premise on operating lease. The expense on such lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2021 is ZAR 278,309 (2020: 205,789)

Director Fees	**2021**	**2020**
	Rand	**Rand**
Minimum lease rental payable		
Not later than 1 year	-	265,889

20 Subsequent events

No adjusting or significant non adjusting events have occurred between the reporting date and the date of authorisation.

21 Comparative Figures

Comparative figures for the previous year have been reclassified/re-arranged wherever necessary to conform with the presentation in the current year’s financial statements.

TECH MAHINDRA DE MÉXICO, S. DE R. L. DE C. V.

Board of Directors
Mr. Arvind Malhotra (Resigned, effective December 9, 2020)
Mr. Pablo Gallegos (Resigned, effective April 15, 2021)
Mr. Jenny Jacob (Resigned, effective April 15, 2021)
Mr. Sriniketh Raman Chakravarthi (Appointed, effective February 10, 2021)
Mr. Archit Asok (Appointed, effective April 15, 2021)
Mr. Jorge Luis Ambriz Rodriguez (Appointed, effective April 15, 2021)

Registered Office
Av. Eje 5 Note # Edificio F - Planta
Baja Colonia Santa Bárbara, C.P. 02230
Delegación Azcapotzalco Distrito Federal México

Bankers
CitiBank

Auditors
KPMG CARDENAS DOSAL, S.C.

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TECH MAHINDRA DE MÉXICO, S. DE R. L. DE C. V.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Partners
Tech Mahindra de México, S. de R. L. de C. V.:

Qualified Opinion

We have audited the financial statements of Tech Mahindra de México, S. de R. L. de C. V. (the Company), which comprise the statements of financial position as at December 31, 2020 and 2019, the statements of income, changes in partners s' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tech Mahindra de México, S. de R. L. de C. V. as at December 31, 2020 and its results and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards (FRS).

In our opinion, except for the matter described in the basis for qualified opinion, the accompanying financial statements presented fairly, in all material respects, the financial position of Tech Mahindra de México, S. de R. L. de C. V., as of December 31, 2019, and its result and it cash flows for the year ended on this date, in accordance with the Mexican Financial Reporting Standards (Mex FRS).

Basis for Qualified Opinion

As mentioned in note 2a), as of December 31, 2019 and for the year then ended, the Company recognized on the financial statements the requirements of Mex FRS D-3 "Employee benefits", related to long-term employee benefit obligations. The effect of this adoption amounted to $11,423,623. According to Mex FRS B-1 "Accounting changes and corrections of errors", retrospective recognition of corrections of errors and reformulation of the financial statements of previous years is required, however, the Company recorded this effect in the results of the year, with a credit to the liability for long-term employee benefits for $11,423,623 and a debit to the results of the period for the same amount, without identifying the effects prior to said year.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

As described in note 1, the main activity of Tech Mahindra de México, S. de R. L. de C. V. is to provide computing consulting services. At December 31, 2020 and 2019 services rendered to Tech Mahindra Limited represents the 100% of the revenues. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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.

KPMG CARDENAS DOSAL, S.C.

Norma Angel Acosta

Reynosa, Tamaulipas, México.

July 9, 2021

TECH MAHINDRA DE MÉXICO, S. DE R. L. DE C. V.

STATEMENT OF FINANCIAL POSITION

As of December 31, 2020 and 2019

(In Mexican pesos)

	Note	2020	2019
Assets			
Current assets:			
Cash and cash equivalents	4	$ 173,721,614	55,959,495
Accounts receivable - net	5	188,229,935	141,121,790
Due from Related Party	10	85,374,734	86,210,555
Prepayments		4,148,600	3,073,581
Deposits in guarantee - current		435,541	435,541
Other receivables	6	943,732	3,087,135
Total current assets		**452,854,156**	**289,888,097**
Non-Current assets:			
Intangible assets	7	56,770	-
Property and equipment – net	7	43,734,000	38,159,631
Right of use assets of leased properties	8	50,309,205	55,600,997
Deposits in guarantee - non-current		5,956,164	4,586,440
Deferred income taxes	12	44,963,787	9,353,205
Total non-current assets		**145,019,926**	**107,700,273**
Total assets		**597,874,082**	**397,588,370**
Liabilities and partners' equity			
Current liabilities:			
Due to related party	10	237,168,389	171,648,468
Accounts payable		2,524,258	891,078
Accrued expenses and taxes	9	134,451,763	42,735,202
Short term employee benefits	11	29,024,534	27,879,574
Income tax payable	12	15,381,105	16,808,162
Short term of right of use liability of leased properties	8	24,924,410	22,156,640
Total current liabilities		**443,474,459**	**282,119,124**
Non -Current liabilities:			
Other employee benefits	11	737,930	343,653
Post-employment employee benefits	11	23,101,771	18,554,214
Right of use liability of leased properties	8	33,958,075	42,631,769
Total non-currents liabilities		**57,797,776**	**61,529,636**
Total liabilities		**501,272,235**	**343,648,760**
Partners' equity:			
Social parts	13	12,934,771	12,934,771
Retained earnings		83,667,076	41,004,839
Total partners' equity		**96,601,847**	**53,939,610**
Contingencies	17		
Subsequent event	18		
Total liabilities and partners' equity		**$ 597,874,082**	**397,588,370**

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

For the years ended December 31, 2020 and 2019

(In Mexican pesos)

Particulars	**Note**	**2020**	**2019**
Operating revenue	14	$ 693,180,282	575,304,123
Other income	14	2,246,822	4,023,890
		695,427,104	**579,328,013**
Costs and expenses:			
Cost of sales	14	576,127,445	469,730,207
Sales and administrative expenses	14	78,653,130	70,293,417
Income from operation		**40,646,529**	**39,304,389**
Comprehensive financing results:			
Exchange gain		9,436,243	5,000,661
Finance costs		6,060,697	7,927,507
Income before income tax		**44,022,075**	**36,377,543**
Income tax expense	**12**	1,359,838	17,982,858
Net profit for the year		**$ 42,662,237**	**18,394,685**

See accompanying notes to financial statements.

STATEMENTS OF PARTNERS' EQUITY

For the years ended December 31, 2020 and 2019

(In Mexican pesos)

Particulars		Social Parts	Retained earnings	Total partners' equity
Balances at December 31, 2018	**$**	**12,934,771**	**25,760,571**	**38,695,342**
Adjustment on transition to revised standard for lease accounting FRS D-5		-	(4,500,596)	(4,500,596)
Deferred tax asset on above		-	1,350,179	1,350,179
Net income		-	18,394,685	18,394,685
Balances at December 31, 2019		**12,934,771**	**41,004,839**	**53,939,610**
Net Income		-	42,662,237	42,662,237
Balances at December 31, 2020	**$**	**12,934,771**	**83,667,076**	**96,601,847**

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

(In Mexican pesos)

Particulars	2020	2019
Operating:		
Income before income taxes	$ 44,022,075	36,377,543
Depreciation	45,219,357	38,078,352
Less: Non-operating income		
Profit on sale of fixed assets	-	(2,866)
Rent income- inter company	(2,057,056)	(3,908,654)
	87,184,376	**70,544,375**
(Increase) decrease in:		
Accounts receivable (including due from related party)	(46,272,323)	27,216,266
Prepaid expenses	(1,075,019)	(767,355)
Deposits and other receivables	213,609	(1,908,247)
Increase (decrease) in:		
Accounts payable (including due to related party)	67,153,101	(14,829,576)
Short term employee benefits (current and non-current)	1,539,237	14,282,040
Post-employment employee benefits	4,547,557	18,554,214
Accrued expenses and taxes	91,535,526	(26,656,764)
Cash flows from operating activities before tax:		
Tax paid	(38,397,477)	(10,304,105)
Net cash flows from operating activities	**166,428,587**	**76,130,848**
Investing activities:		
Acquisitions of equipment (net of sale proceeds)	(44,817,600)	(18,737,097)
Rent income - Inter company	2,057,056	3,908,654
Net cash flows used in investing activities	**(42,760,544)**	**(14,828,443)**
Financing activities:		
Payment of lease liabilities- Net cash flows used in financing activities	**(5,905,924)**	**(17,219,954)**
Net increase in cash and cash equivalents	**117,762,119**	**44,082,451**
Cash at beginning of the year	**55,959,495**	**11,877,044**
Cash at end of the year	**$ 173,721,614**	**55,959,495**

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

(In Mexican pesos)

1. Activities

a. Description of business

Tech Mahindra de México, S. de R.L. de C.V. (the "Entity or Company") was incorporated on June 30, 2008 under the laws of Mexico. Its address is Av. Eje 5 Norte # 990, Edificio F - Planta Baja, Colonia Santa Bárbara, C.P. 02230, Delegación Azcapotzalco, Distrito Federal México.

The Company is principally involved in computing consulting services and operates primarily in Mexico. Its holding company is Tech Mahindra Limited, an Indian public listed company. The Company carries out certain transactions with its Holding company as described in note 10.

Outstanding event

The infectious disease caused by the SARS-COV2 virus (hereinafter "COVID-19") was declared a pandemic on March 11, 2020 by the World Health Organization; Consequently, sanitary measures have been taken to limit the spread of this virus, including, but not limited to, social distancing and the closure of educational centers (schools and universities), commercial establishments and non-essential businesses in the public, private and social, as a strategy to combat this pandemic.

A part of the operations of the Company was considered an essential activity and it did not totally stop operation. On the other hand, it required the implementation of some security measures to safeguard the health of the employees according to the Government's indications, therefore which, the Company had to incur an expense of approximately $ 271,493 Mexican pesos.

b. Financial statement authorization and presentation-

On July 9, 2021, the issuance of the financial statements was authorized by Mr. Archit Asok (Board Manager and Secretary) and Roberto Carlos Esquivel (Finance Controller). These financial statements are subject to the approval of the Board of Partners and the general ordinary partners' meetings, where they may be modified, based on provisions set forth by the General Corporate Law.

2. Basis of presentation

a. Statement of compliance

The accompanying financial statements have been prepared in accordance with Mexican Financial Reporting Standards (MFRS).

b. Use of estimates and judgements

The preparation of financial statements requires Management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 3 m - Leases: whether an arrangement contains a lease.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at December 31, 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3 m - Leases: determination of lease period in case of an option of renew.

c. Explanation for preparation in English - The accompanying financial statements have been prepared in English for use outside of Mexico. These financial statements are presented on the basis of Mexican Financial Reporting Standards ("Mexican FRS" or "Mex FRS"), which are comprised of accounting standards that are individually referred to as Normas de Información Financiera, or "NIFs"). Certain accounting practices applied by the Entity that conform with MFRS may not conform with accounting principles generally accepted in the country of use.

d. **Monetary unit of the financial statements –**The financial statements and notes as of December 31, 2020 and 2019 and for the years then ended are presented in Mexican pesos (reporting currency), which is the same as the local currency and the functional currency.

e. **Statement of comprehensive income presentation -** The Company presents comprehensive income in a single statement of net income entitled "Statement of Operations" given that the Company did not generate Other Comprehensive Income (OCI) during the current year or the preceding year, which is presented for comparative purposes.

Ordinary costs and expenses are presented based on their function because it is the practice of the industry to which the Entity belongs. Additionally, the "Income from Operation" line item is included, which results from subtracting the cost of sales and expenses from net sales, as this line item is considered to provide a better understanding of the Company's economic and financial performance. Previous year's figures are regrouped wherever necessary (refer note 19).

3. Summary of the significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company:

a. Recognition of the effects of inflation

The Mexican FRS B-10 "Effects of inflation" requires the recognition of inflation until December 31, 2017. Since January 1, 2008, the Mexican FRS B-10 requires the recognition of the effects of inflation when the Company operates in an inflationary economic environment (cumulated inflation equal or more than 26% during last three years). Annual and cumulative inflation percentage of the last three years and the indices used to determine inflation, are as follows:

	Inflation	
December 31,	**Yearly**	**Cumulative**
2020	3.33%	11.42%
2019	2.83%	15.10%
2018	4.83%	15.69%

b. **Cash and cash equivalents–** Cash and cash equivalents consist of checking accounts, bank deposits, foreign currency and other highly liquid instruments.

c. **Property and equipment (net) –** Property, plant and equipment, including those under leases, are recorded at acquisition cost and the present value of total payments, respectively. Balances from acquisitions made through December 31, 2007 were restated for the effects of inflation by applying factors derived from the NCPI through that date.

Depreciation on property, plant and equipment is calculated using the straight-line method based on the estimated useful lives of the related assets, as follows:

Category	**Useful life**
Computers	3 years
Furniture and fixtures	5 years
Plant & Machinery	5 years
Office equipment	5 years
Software acquired for consideration	1 year

Leasehold improvements are amortized over the useful life of the improvement or the related contract term, whichever is shorter.

Minor repairs and maintenance costs are expensed as incurred.

d. **Prepayments-** Mainly include prepayments for employee health and life insurance services that are received after the date of the statement of financial position and in the ordinary course of operations.

e. **Other assets-** Other assets include mainly deposits in guarantee, advances to employees and suppliers and are stated at cost.

f. **Impairment of property, plant and equipment and other non-current assets, leases assets and intangible assets-**

The Company evaluates the net carrying amount of property, plant and equipment and other non-current assets, leases assets and intangible assets, to determine whether there is an indication that the carrying amount exceeds the recoverable amount. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future net revenues reasonably expected to be generated by the asset. If the net carrying amount of the asset exceeds the recoverable amount, the Company records the necessary provisions.

g. **Provisions -** Provisions are recognized for current obligations that arise from a past event, that are probable to result in the use of economic resources, and that can be reasonably estimated.

h. **Employee benefits -** Employee benefits are those granted to personnel and/or their beneficiaries in exchange for the services rendered by the employee, which include all kinds of remuneration earned, as follows:

   i. **Short-term direct benefits -** Short-term direct employee benefits are recognized in income of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if the Company has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

   ii. **Long-term direct benefits -** The Company's net obligation in relation to direct long-term benefits (except for deferred ESPS), and which the Company is expected to pay at least twelve months after the date of the most recent balance sheet presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and previous periods. This benefit is discounted to its present value. Remeasurements are recognized in income in the period in which they are accrued.

   iii. **Employee benefits from termination -** A liability is recognized for termination benefits along with a cost or expense when the Company has no realistic alternative other than to make the corresponding payments or when the offer of these benefits cannot be withdrawn or when the conditions that require the recognition of restructuring costs are met, whichever occurs first. If benefits are not expected to be settled wholly within twelve months after the date of the most recent balance sheet presented, then they are discounted. The Company has only defined contribution plans and no defined benefit obligations.

   Defined contribution plans

   Obligations for contributions to defined contribution plans are recognized in income as the related services are provided by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

   iv. **Employee statutory profit sharing (ESPS) -** ESPS is recorded in the results of the year in which it is incurred. Deferred ESPS is derived from temporary differences that result from comparing the accounting and tax bases of assets and liabilities and is recognized only when it can be reasonably assumed that a liability may be settled or a benefit is generated, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

   As result of the 2014 Tax Reform, as of December 31, 2020 and 2019, ESPS is determined based on taxable income, according to Section I of Article 10 of the Income Tax Law. Deferred ESPS derived from temporary differences between the accounting and tax bases of assets and liabilities is recognized only when it can be reasonably assumed that a liability may be settled or a benefit is generated, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

i. **Income taxes** - Income tax ("ISR") is recorded in results of the year in which they are incurred. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credit.

j. **Foreign currency transactions -** Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net financing cost (income) in the statements of income.

k. **Revenue recognition –** Revenues include the fair value of the consideration received or receivable for the services in the regular course of operations, which is when control has been transferred to the customers in exchange for the consideration to which the Entity believes it is entitled in exchange for such goods or services. Revenues are presented net of discounts.

   Revenue from service contracts priced on a time and material basis is recognized when services are rendered. Revenue from fixed price service contracts is recognized as performance obligation satisfied over a period of time based on the stage of completion of the contract the stage of completion determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations.

   Invoices for services are issued on a monthly basis and are usually payable within 45-60 days.

Revenues are recognized when the following steps are completed:

- The contract or contracts are identified with the customer.
- The obligations to be performed in the contract are identified.
- The transaction price is determined.
- The transaction price is allocated among the different obligations to be performed in the contract.
- The revenues are recognized when the Entity fulfills each of the obligations involved.

The Company acts as a sub-contractor to its Holding Company Tech Mahindra Limited for which it is remunerated on cost plus markup basis. Its revenue from cost plus markup contracts are recognized based on the terms of the contract over the service period.

Invoices for services to the Holding Company are issued on a monthly basis and are usually payable within 30 days.

l. **Business and credit concentration-** Services rendered to Tech Mahindra Limited represented 100% in 2020 and 2019 of the Company's net revenue.

The principal supplier for sub-contracting services rendered is LCC Central America de Mexico SA de CV (fellow subsidiary company), from which the Company made approximately 42% in 2020 and 60% in 2019 of the Company's total cost of sub-contracting services.

m. **Leases-** At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS D-5.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n. Financial instruments-

Financial assets and liabilities - including accounts receivable and payable - are initially recognized when these assets are originated or acquired, or when these liabilities are issued or assumed, both contractually.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVI, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets and financial liabilities (unless it is an account receivable or payable without a significant financing component) are measured and initially recognized at fair value, in the case of financial assets or liabilities not measured at fair value with changes through OCI, plus the transaction costs directly attributable to acquisition or issuance, when subsequently measured at amortized cost. An account receivable without a significant financing component is initially measured at the transaction price.

Loss allowance for expected credit losses (ECL)-

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

Loss allowances for trade receivable and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, about past events, current conditions and forecasts of future economic conditions.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit -impaired includes the following observable data:

— significant financial difficulty of the borrower or issuer;

— a breach of contract such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

— it is probable that the borrower will enter bankruptcy or other financial reorganization; or

— the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For external customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery, on a case to case basis. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

o. Contingencies- Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognized until realization is assured.

p. Comprehensive financial results (CFR)-

The CFR includes finance income and expense, reduced by the amounts capitalized.

Finance income and expense include:

- interest expense;
- interest income;
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in force at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are reported on the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

4. Cash and equivalents-

Particulars	**2020**	**2019**
Cash and checking accounts		
Current accounts	$ 28,721,614	15,959,495
Fixed deposits	145,000,000	40,000,000
Cash and cash equivalents	**$ 173,721,614**	**55,959,495**

The Company had no restricted cash and cash equivalents.

5. Accounts receivable-

Particulars	**2020**	**2019**
Receivable from external customer		
Customer	$ 173,203,328	150,431,721
Expected credit losses	(7,030,487)	(27,222,426)
Debtors (net of allowance for doubtful debts)	166,172,841	123,209,295
Unbilled Revenue	22,057,094	17,912,495
Total Receivable from external customers	**$ 188,229,935**	**141,121,790**

Expected credit losses:

For the commercial accounts receivable portfolio, the Entity estimates the expected credit loss (ECL) based on its experience of previous credit losses, current changes in the behavior of its customers and future economic forecasts, for which purpose it classifies its portfolio by degree of payment arrears and allocates different amounts of ECL to each of the segments of its portfolio.

The Company acts as a sub-contractor to its Holding Company Tech Mahindra Limited for which it is remunerated on cost plus markup basis. The expected credit loss provision is created for the external customers of the Company for which the Company is acting as an agent or sub-contractor.

Based on the average that its ECL represent of total revenues and the payment arrears of customer receivables, as well as adjustments to the amounts of ECL considering the current economic situation, the respective calculation is as follows:

Amount of accounts receivable	**Days in arrears**	**Probability of default**	**Portfolio amount in default**	**Loss Severity (SP)**	**Estimated ECL**
7,030,487	More than 365 days	100%	7,030,487	100%	7,030,487

In this case, given the impossibility of estimating the collection date, it is not practical to discount the amounts of cash flows receivable. Also, the Company does not charge interest to its customers for arrears, and so it has not identified the effective interest rate.

6. Other receivables-

Particulars	**2020**	**2019**
Advances to employees	$ 178,615	1,878,617
Other receivables	765,117	1,208,518
Total Other receivables	**$ 943,732**	**3,087,135**

7. Property and equipment, and intangible assets-

a) Investment	**2020**	**2019**
Plant & machinery	$ 26,126,896	20,935,828
Furniture and fixtures	25,512,128	19,343,331
Equipment and computers	39,391,891	30,121,392
Leasehold improvements	5,103,655	1,495,104
Total	**$ 96,134,570**	**71,895,655**

b) **Accumulated depreciation**		**2020**	**2019**
Plant & machinery	$	12,259,452	7,450,006
Furniture and fixtures		11,807,613	7,411,227
Equipment and computers		26,650,167	17,810,819
Leasehold improvements		1,683,338	1,063,972
Total		**52,400,570**	**33,736,024**
Net property and equipment	**$**	**43,734,000**	**38,159,631**

a) Intangible assets		**2020**	**2019**
Software acquired for consideration	$	921,700	683,897

b) Accumulated depreciation		**2020**	**2019**
Software acquired for consideration	$	864,930	683,897
Net Intangible assets	**$**	**56,770**	**-**

Depreciation recognized in the statements of operations was $18,845,580 and $16,171,584; in 2020 and 2019, respectively.

8. Right of use assets and liabilities-

The Company leases office premises, typically for a period of 3 years. Previously, these leases were classified as operating leases.

During 2018, part of the leased premises was sub-let by the Company. The lease and sub-lease expire in 2022.

Information about leases for which the Company is a lessee is presented below:

Right of use asset

Right-of-use assets related to lease properties that do not meet the definition of investment property comprise the following page:

Particulars		**Buildings**	
		2020	**2019**
Balance at January 1, 2019	$	55,600,997	77,507,765
Depreciation charge for the year		(26,373,777)	(21,906,768)
Additions to right-of-use assets		21,081,985	-
Balance at December 31	**$**	**50,309,205**	**55,600,997**

Amounts recognized in profit or loss

Leases under FRS D-5		**2020**	**2019**
Interest on lease liabilities	$	6,060,697	-
Expenses relating to short-term leases		-	1,167,365
Total	$	**6,069,697**	**1,167,365**

Total cash outflows for leases during 2020 were $31,782,173 and $28,324,913 in 2020 and 2019 respectively.

Lease Liabilities		**2020**	**2019**
Liability	$	58,882,485	64,788,409

The terms and conditions of leases are as follows:

	2020	2019
Nominal Interest rate	10.80%	10.80%
Year of maturity	2021-2023	2021-2022
Nominal value	65,151,174	72,412,668
Present value	58,882,485	64,788,409

Maturities of lease liabilities:	**2020**		**2019**	
	Nominal value	**Present value**	**Nominal value**	**Present value**
Less than one year	$ 35,216,333	24,924,410	$ 27,869,546	22,156,640
Between one and five years	29,934,841	33,958,075	44,543,122	42,631,769
Total	**$ 65,151,174**	**58,882,485**	**$ 72,412,668**	**64,788,409**

9. Accrued expenses and taxes-

Accruals include the following:

	Accrued expenses	**VAT Payable**	**Provision for Discount**	**Other**	**Total**
Balances as at December 31, 2019	$ 14,451,157	23,904,915	3,818,625	560,506	42,735,203
Increases recorded in earnings	1,311,322	38,119,109	4,343,938	97,939,144	141,713,513
Payments	(13,785,777)	(31,181,473)	(4,439,716)	(589,987)	(49,996,953)
Balances as at December 31, 2020	**$ 1,976,702**	**30,842,551**	**3,722,847**	**97,909,663**	**134,451,763**

10. Related party-

a. List of related parties:

Tech Mahindra Limited (Parent company)

LCC Central America de Mexico S.A. de C.V. (Fellow subsidiary)

b. Transactions with related parties, carried out in the ordinary course of business, whose consideration is equivalent to that in similar transactions carried out with independent parties, were as follows:

	2020	2019
Revenues from services rendered to:		
Tech Mahindra Limited	$ 693,180,282	598,662,85
Expenses for services received from:		
Tech Mahindra Limited	(427,254,111)	(324,718,313)
LCC Central America de Mexico S.A. de C.V.	(34,551,397)	(27,090,108)
Reimbursement of expenses:		
Tech Mahindra Limited	(188,656)	(253,120)
LCC Central America de Mexico S.A. de C.V.	-	(69,656)
Other Income (rental income):		
LCC Central America de Mexico S.A. de C.V.	2,057,056	3,908,654

c. Balances due from and to related parties are as follows:

	2020	2019
Receivable:		
Tech Mahindra Limited	$ 82,514,653	84,695,996
LCC Central America de Mexico S.A. de C.V.	2,860,081	1,514,559
	$ 85,374,734	**86,210,555**
Payable:		
Tech Mahindra Limited	$ 222,251,193	158,875,541
LCC Central America de Mexico S.A. de C.V.	14,917,196	12.722,927
	$ 237,168,389	**171,648,468**

11. Employee benefits-

a) Short term direct benefits

The short-term direct benefits are as follows:

		2020	2019
Employee benefits			
Compensated absences*	$	1,853,746	814,521
Short term employee benefits		7,162,341	9,028,099
Other statutory payments		20,008,447	18,036,954
Total	**$**	**29,024,534**	**27,879,574**

* Note: Non -current portion of compensated absences $737,930 has been disclosed under Other employee benefits under non-current liabilities.

b) Post-employment benefits

The Company has a defined benefit plan for seniority premium and legal compensation, covering substantially all of its employees its unionized and trustworthy staff. Benefits are based on the years of service and the employee's compensation.

The components of defined benefit cost for the years ended December 31, 2020 and 2019 are shown below

		Seniority Premium		Legal Compensation	
		2020	2019	2020	2019
Current service cost (CLSA)	$	437,807	218,610	2,745,160	1,785,213
Prior years effects recognized in 2019		-	266,637	-	11,156,986
Net interest		42,273	21,562	1,164,133	917,704
Settlement cost		-	-	7,569,518	-
Remeasurements of net assets for defined benefits (DBNA) or net liabilities for defined benefits (DBNL) recognized in income of the period		255,282	150,005	3,348,553	4,037,497
Net cost for the period	**$**	**735,362**	**656,814**	**14,827,364**	**17,897,400**

		Seniority Premium		Legal Compensation	
		2020	2019	2020	2019
Beginning balance of DBNL	$	656,814	-	17,897,400	-
Defined Benefit Cost		735,362	656,814	14,827,364	17,897,400
Payments charged to DBNL		(188,963)	-	(10,826,206)	-
Ending balance of DBNL	**$**	**1,203,213**	**656,814**	**21,898,558**	**17,897,400**

Assumptions:	2020	2019
Disount rate	6%	7%
Rate of compensation increase	3%	3%
Average remaining employee labor life	17.36 years	17.89 years

12. Income tax (IT) and employee statutory profit sharing (ESPS)-

The Company is subject to IT. According with the IT law, the rate is 30% in 2020 and 2019 and it will continue at 30% thereafter.

a. IT consists of the following:

IT:		2020	2019
Current	$	36,970,420	25,086,504
Deferred		(35,610,582)	(7,103,646)
	$	**1,359,838**	**17,982,858**

Income tax expense attributable to income from continuing operations before income taxes, differed from the amounts computed by applying the Mexican statutory rates of 30% IT to income before income taxes, as a result of the items shown below:

		2020	2019
Computed "expected" tax expense	$	13,206,623	10,913,263
Increase (reduction) resulting from:			
Effects of inflation, net		912,529	512,840
Non-deductible expenses		4,692,408	5,031,344
Reversal of agent ECL*		(20,191,939)	-
Others **		2,740,217	1,525,412
IT expense	**$**	**1,359,838**	**17,982,858**

* Reversal of agent ECL pertains to the effect of balance sheet movement between provision for doubtful debts for December 31, 2020 versus December 31, 2019. Since the Company acts as an agent to its parent company, the risk of provision is borne by parent company and the impact of the provision is disclosed on a net basis in the Income Statement.

**Others includes effect of Right of use opening liability amounting to $833,544 for the period ended December 31, 2019.

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities, at December 31, 2020 and 2019, are presented below:

		2020	2019
Deferred tax assets:			
Property, plant and equipment	$	4,879,759	2,159,526
Right of use assets (net of liability) for leased properties		2,571,984	2,756,223
Accrued bonuses and other accruals		14,111,979	5,359,530
Unearned revenue		24,551,212	-
Total gross deferred tax assets	**$**	**46,114,934**	**10,275,279**
Deferred tax liabilities:			
Prepaid Expenses		(1,151,147)	(922,074)
Net deferred Income Tax asset	**$**	**44,963,787**	**9,353,205**

ESPS

The ESPS expense is as follows:

		2020	2019
Total ESPS expense recognized in Income statement	**$**	**5,186,164**	**7,874,835**

13. Partners equity-

a As of December 31, 2020 and 2019 partner units at par value (historical pesos), is as follows:

		Number of social parts	Amount in historical pesos	Number of social parts	Amount in historical pesos
		2020		**2019**	
Fixed capital:					
Series "A" partner units*	$	2	1	2	1
(Non-Withdrawable)		-	-	-	-
Variable capital		-	-	-	-
Series "B" partner units**		1	12,934,770	1	12,934,770
Total	**$**	**3**	**12,934,771**	**3**	**12,934,771**

* Series "A" represents the fixed portion of capital stock with no retirement rights.

** Series "B" represents the variable portion of capital stock with retirement rights.

b. Pursuant to a resolution of the general ordinary partners meeting on January 4, 2016, variable social parts was increased by $5,015,522, through cash contributions.

c. Retained earnings include the statutory legal reserve. The General Corporate Law requires that at least 5% of net income of the year be transferred to the legal reserve until the reserve equals 20% of partner units at par value (historical pesos). The legal reserve may be capitalized but may not be distributed unless the Company is dissolved. The legal reserve must be replenished if it is reduced for any reason. As of December 31, 2016, the legal reserve, in historical pesos, was $164,203. The legal reserve for the year ended December 31, 2020 is $2,137,461.

d. Partners' equity, except restated paid-in capital and tax retained earnings, will be subject to income taxes in the event of distribution, at the rate of 30%, payable by the Company; consequently, the stockholders may only receive 70% of such amounts. Any tax paid on such distributions may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

e. The balances of the partners' equity tax accounts as of December 31 are as follows:

		2020	2019
Contributed capital account	$	16,797,974	16,284,997
Net tax income account		115,145,039	89,187,125
Total	**$**	**131,943,013**	**105,472,122**

14. Revenue

		2020	2019
Revenue from contracts with customers:			
From services rendered to Tech Mahindra Limited	$	693,180,282	575,304,123
Other income			
Rental income		2,057,056	3,908,654
Profit on disposal of asset		-	2,866
Others		189,766	112,370
Total other revenue		**2,246,822**	**4,023,890**
Total revenue	$	**695,427,104**	**579,328,013**

Costs	2020		2019	
	Cost of sales	Selling expenses and Administrative expenses	Cost of sales	Selling expenses and Administrative expenses
Salaries and related cost [1]	$ 466,109,075	-	370,302,196	-
Depreciation and amortization				
- On Property, plant and equipment	-	18,845,580	-	16,171,585
- On right of use assets	-	26,373,777	-	21,906,767
Subcontracting expenses	88,151,104	-	64,790,562	-
Communication expense	12,398,113	-	20,931,736	-
General Office expenses	-	13,010,768	-	14,140,055
Other	9,469,153	20,423,005	13,705,713	18,075,010
Total	**$ 576,127,445**	**78,653,130**	**469,730,207**	**70,293,417**

[1] Salaries and related cost includes expense for ESPS $5,186,164 for 2020 and $ 7,874,835 for 2019.

15. Financial instruments and risk review-

a. Accounting classifications and fair values

TThe following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Financial Asset and Liabilities (not measured at fair value)	2020	2019
Carrying amount of financial assets:		
Cash and cash equivalents	$ 173,721,614	55,959,495
Accounts receivable - net	188,229,935	141,121,790
Due from related party	85,374,734	86,210,555
Payables to officers and employees	178,615	1,878,617
Deposits in guarantee	6,391,705	5,021,981
Other receivables	765,117	1,208,518
	$ 454,661,720	**291,400,956**
Carrying amount of financial liabilities:		
Accounts payable	$ 2,524,258	891,078
Due to related party	237,168,389	171,648,468
Accrued expenses and taxes*	134,451,763	42,596,973
Lease liabilities	58,882,485	42,631,769
	$ 433,026,895	**257,768,288**

*It includes provision for expenses, Provision for salary and provisions against employee advances.

b Financial risk management

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company operates a risk management policy and program that performs close monitoring of and responding to each risk factors. Following are the financial risk factors.

(a) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Trade Receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Details of concentration of revenue are included in Note 3.l under the Significant accounting policies.

Average credit period for trade receivables ranges from 45-60 days and no interest is charged on overdue receivables. The Company uses a practical expedient by computing the expected credit loss (ECL) allowance for trade receivable based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking experience. The impact of the ECL model is disclosed in Note 5 Trade receivables.

The Company has a revenue arrangement with its Parent Company, wherein it acts as a sub-contractor to its Parent for all external contracts with customers and all the risk of these contracts are transferred to the Parent Company.

Cash and cash equivalents

The Company maintains its cash and cash equivalents with bank having good reputation and high-quality credit rating.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities as on December 31, 2020. The amounts are gross and undiscounted.

Particulars	**Carrying value**	**Less than 1 year**	**1-3 years**
Accounts payable	$ 2,524,258	2,524,258	-
Due to Related Party	237,268,139	237,268,139	-
Accrued expenses and taxes	134,451,763	118,533,731	-
Lease liabilities	58,882,485	24,924,410	33,958,075
	$ 433,126,645	**383,250,538**	**33,958,075**

The table below provides details regarding the contractual maturities of significant financial liabilities as on December 31, 2019:

Particulars	**Carrying value**	**Less than 1 year**	**1-3 years**
Accounts payable	$ 891,078	891,078	-
Due to Related Party	171,648,468	171,648,468	-
Accrued expenses and taxes	24,042,759	42,596,973	-
Lease liabilities	42,631,769	27,869,546	44,543,122
	$ 239,214,074	**243,006,065**	**44,543,122**

(c) Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates and equity prices -will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

		2020		2019	
		USD	CAD	USD	CAD
Cash and cash equivalents	$	261,238	-	664,523	-
Accounts receivable - Net		1,487,584	584,130	2,409,570	372,508
Due from Related Party		39,440	-	78,880	-
Accounts payable		(125,141)	-	(12,000)	-
Due to Related Party		(11,418,082)	-	(7,906,217)	-
Net statement of financial position exposure	**$**	**(9,754,961)**	**584,130**	**(4,765,243)**	**372,508**

The following significant exchange rates have been applied:

	Average rate		Year end spot rate	
	2020	2019	2020	2019
USD 1	19.1	19.3	19.9	18.8
CAD 1	16.0	14.5	15.6	14.4

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar and CAD by 1% against the functional currency at December 31, would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

		Income		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	$	(94,122)	94,122	(94,122)	94,122
CAD (1% movement)		6,728	(6,728)	(6,728)	6,728

16. Recently issued financial reporting standards-

2021 FRS Revisions -

In December 2020, CINIF issued a document called "2021 FRS Revisions" containing precise modifications to some of the existing FRS. The improvements made to the FRS result in accounting changes in the annual financial statements, which are shown below:

FRS D-5 "Leases"- The improvements to this FRS are: i) clarifications to the disclosures for short-term and low-value leases for which a right-of-use asset was not recognized, ii) clarifying that the lease liability in a sale-leaseback operation must include both the fixed payments such as estimated variable payments and specifications are made of the procedure to be followed in accounting recognition. This improvement is effective for periods starting as of January 1, 2021, and early application for 2020 is allowed. The accounting changes that arise must be recognized in accordance with the provisions of FRS B-1 Accounting changes and error corrections.

Management estimates that the adoption of this new FRS shall have no significant effects.

17. Contingencies

(a) In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

(b) The Company is involved in a number of claims arising in the normal course of business from labor obligations. It is expected that the final outcome of these matters will not have significant adverse effects on the Company's financial position and income.

18. Subsequent events

On April 23, 2021, following the reform of various legal provisions regarding subcontracting (outsourcing and insourcing), a third paragraph was added to section V of Article 27 of the Income Tax Law (ITL), which states that in the case of the provision of specialized services or the execution of specialized works referred to in Article 15-D , third paragraph of the Federal Fiscal Code (Código Fiscal de la Federación), the contractor must verify when the payment of the consideration for the service received is made, that the contractor has the registration with the Secretariat of Labor and Social Security (Secretaría del Trabajo y Previsión Social or STPS) referred to in article 15 of the Federal Labor Law (LFT as acronym in Spanish), also, must obtain from the contractor a copy of the tax receipts for the payment of wages of the workers with whom he have provided the service or carried out the corresponding work, of the receipt of payment issued by a banking institution for the declaration of the entire withholding of taxes made to said workers, of the payment of the employer's contributions to the Mexican Social Security Institute, as well as of the payment of the contributions to the Institute of the National Housing Fund for Workers. Similarly, the contractor shall be obliged to provide the contracting party with the vouchers and information referred to in this paragraph.

Likewise, section XXXIII was added to article 28, which states that payments or consideration made for the subcontracting of personnel to carry out activities related to both the corporate purpose and the predominant economic activity of the contractor shall not be deductible; as well as the services in which personnel are provided or made available to the contractor, when any of the cases contemplated in article 15-D, section I and II of the Federal Fiscal Code is updated.

19. Previous year regrouping

Particulars		Previously reported amount	Reclassification	Reclassified amount
Income statement				
Revenue	$	598,662,851	(23,358,728)	575,304,123
Cost of sales		(493,088,935)	23,358,728	(469,730,207)
	$	**105,573,916**	**-**	**105,573,916**

Reason for re-classification: Correction in presentation of revenue and costs from "Gross" in the previous year to "Net" in the current year.

Archit Asok **Roberto Carlos Esquivel**

Date: July 9, 2021

TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

Board of Directors
Mr. Manish Goenka
Mr. Hrishikesh Mahesh Pandit
Mr. Chong Li Khuen
Mr. Sabrina Ong Lee Leigh

Registered Office
35-3, Jalan SS 15/8A, 47500
Subang Jaya, Selangor Darul Ehsan,
Kuala Lumpur, Malaysia

Bankers
HSBC Bank Malaysia Berhad

Due to the Covid Pandemic and the lock down imposed in Malaysia, the audit could not be completed within the timeline to meet the requirements of the Indian Companies Act, 2013. Section 258 of the Malaysian Companies Act, 2016 provides a time limit of 6 months from the end of the financial year to file the audited financial statements and the audit will be completed and the financial statements filed within this timeline.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021	2020
		RM	RM
Assets			
Property, plant and equipment	3	1,479,544	1,319,009
Right-of-use assets	4	3,994,114	7,988,228
Deferred tax assets	5	-	4,050,449
Trade and other receivables	6	12,493,775	-
Total non-current assets		**17,967,433**	**13,357,686**
Trade and other receivables	6	119,755,105	26,916,285
Contract assets	7	26,341,590	20,058,650
Tax assets		10,173,193	-
Cash and cash equivalents	8	28,958,238	55,426,286
Total current assets		**185,228,126**	**102,401,221**
Total assets		**203,195,559**	**115,758,907**
Equity			
Share capital	9	10,654,000	10,654,000
Retained earnings		21,244,378	64,264,605
Total equity		**31,898,378**	**74,918,605**
Liability			
Lease liabilities	10	9,091,269	3,911,653
Contract liabilities	7	733,506	-
Other payables	12	32,132,964	485,330
Total non-current liability		**41,957,739**	**4,396,983**
Lease liabilities		8,450,701	4,194,377
Trade payables	10	57,499,232	4,056,815
Other payables	11	60,955,034	23,147,319
Contract liabilities	12	2,434,475	3,450,228
Tax liabilities	7	-	1,594,580
Total current liabilities		**129,339,442**	**36,443,319**
Total liabilities		**171,291,181**	**40,840,302**
Total equity and liabilities		**203,195,559**	**115,758,907**

The notes 1- 20 are an integral part of these financial statements.

MANISH GOENKA
Director

HRISHIKESH MAHESH PANDIT
Director

Date: July 11, 2021

TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		RM	RM
Revenue	13	219,828,921	118,796,618
Cost of services	14	(248,194,947)	(68,726,464)
Gross (loss)/profit		**(28,366,026)**	**50,070,154**
Other income		594,358	6,474,939
Net gain from reversal of/(loss on) impairment of financial instruments	15	839,130	(6,075,188)
Administrative expenses		(18,955,603)	(30,705,091)
Results from operating activities	15	**(45,888,141)**	**19,764,814**
Finance income		1,743,301	1,546,234
Finance costs		(742,523)	(173,787)
(Loss)/Profit before tax	15	**(44,887,363)**	**21,137,261**
Taxation	16	1,867,136	(2,432,316)
(Loss)/Profit and total comprehensive (expense)/income for the year		**(43,020,227)**	**18,704,945**

The notes 1-20 are an integral part of these financial statements.

MANISH GOENKA
Director

HRISHIKESH MAHESH PANDIT
Director

Date: July 11, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Non- distributable	Distributable	
	Share capital	Retained earnings	Total equity
	RM	RM	RM
At 1 April 2020	10,654,000	45,559,660	56,213,660
Profit and total comprehensive income for the year	-	18,704,945	18,704,945
At 31 March 2020/1 April 2020	**10,654,000**	**64,264,605**	**74,918,605**
Loss and total comprehensive expense for the year	-	(43,020,227)	(43,020,227)
At 31 March 2021	**10,654,000**	**21,244,378**	**31,898,378**
	Note 9		

The notes 1- 20 are an integral part of these financial statements.

MANISH GOENKA
Director

HRISHIKESH MAHESH PANDIT
Director

Date: July 11, 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 RM	2020 RM
Cash flows from operating activities		
(Loss)/Profit before tax	(44,887,363)	21,137,261
Adjustments for:		
Net (gain from reversal of)/loss on impairment of financial instruments	(839,130)	6,075,188
Depreciation of property, plant and equipment	788,216	480,137
Depreciation of right-of-use assets	3,994,114	4,076,575
Leave encashment expenses	1,555,353	675,462
Gain on disposal of property, plant and equipment	(109)	-
Net unrealised loss/(gain) on foreign exchange	21,015	(615,837)
Finance cost	742,523	173,787
Finance income	(1,743,301)	(1,546,234)
Operating profit before changes in working capital	**(40,368,682)**	**30,456,339**
Change in trade and other receivables	(92,310,549)	5,924,848
Change in contract assets	(6,282,940)	(7,870,247)
Change in trade payables	53,442,417	3,264,703
Change in other payables and accrued expenses	68,732,399	1,980,091
Change in contract liabilities	(282,247)	(169,071)
Cash (used in)/generated from operations	**(17,069,602)**	**33,586,663**
Leave encashment paid	(832,403)	(418,500)
Tax paid	(5,850,188)	(5,848,015)
Net cash (used in)/from operating activities	**(23,752,193)**	**27,320,148**
Cash flows from investing activities		
Purchase of property, plant and equipment	(948,751)	(1,241,307)
Proceeds from disposal of property, plant and equipment	109	-
Repayment from/(Loans given) to related company	1,194,379	(480,680)
Interest received	745,212	309,389
Lease payments received	3,687,262	-
Net cash used in investing activities	**4,678,211**	**(1,412,598)**
Cash flows from financing activity		
Payment of lease liabilities	(7,388,849)	(4,132,560)
Net cash used in financing activity	**(7,388,849)**	**(4,132,560)**
Net (decrease)/increase in cash and cash equivalents	**(26,462,831)**	**21,774,990**
Effect of foreign exchange rate differences	(5,217)	52,227
Cash and cash equivalents at beginning of the year	55,426,286	33,599,069
Cash and cash equivalents at end of the year	**28,958,238**	**55,426,286**

(i) Cash outflow for leases as a lessee

	2021 RM	2020 RM
Included in net cash from operating activities:		
Interest paid in relation to lease liabilities	(742,523)	(173,787)
Included in net cash from financing activities:		
Payment of lease liabilities	(7,388,849)	(4,132,560)
Total cash outflow for leases	**(8,131,372)**	**(4,306,347)**

(ii) Reconciliation of movement of liabilities to cash flows arising from financing activities

The movement of liabilities from financing activities in the statements of cash flows are as follows::

	At 1 April 2019 RM	Interest in relation to lease liabilities RM	Net change in cash flows from financing activities RM	At 31 March 2020/ 1 April 2020 RM	Acquisition of new lease RM	Interest in relation to lease liabilities RM	Net change in cash flows from financing activities RM	At 31 March 2021 RM
Lease liabilities	12,064,803	173,787	(4,132,560)	8,106,030	-	173,787	(4,605,723)	3,674,094
Finance lease liabilities	-	-	-	-	16,082,266	568,736	(2,783,126)	13,867,876
	12,064,803	**173,787**	**(4,132,560)**	**8,106,030**	**16,082,266**	**742,523**	**(7,388,849)**	**17,541,970**

The notes 1-20 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Tech Mahindra ICT Services (Malaysia) Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Malaysia Global Solution Center
Lot 12122, Persiaran APEC
63000 Cyberjaya
Selangor Darul Ehsan

Registered office
35-3, Jalan SS15/8A
47500 Subang Jaya
Selangor Darul Ehsan

The Company is principally engaged in the business of developing, advising, consulting and implementing of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of services facility and generally, any type of business in connection therein. There has been no significant change in the nature of these activities during the financial year.

The Company is a wholly-owned subsidiary of Tech Mahindra Limited, which is incorporated in India and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

These financial statements were authorised for issue by the Board of Directors

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018−2020)
- Amendments to MFRS 116, Property, Plant and Equipment − Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018−2020)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

  The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021.
- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for amendments to MFRS 1, MFRS 3 and MFRS 141 which are not applicable to the Company.
- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Company.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed below:

- Note 12.2 – Provision for onerous contracts
- Note 17.4 – Measurement of expected credit loss ("ECL")

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(f)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(f)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

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

(c) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows::

• Office equipment	5 years
• Computers	3 years
• Plant and equipment	3 to 5 years
• Lease improvement	Lease period
• Furniture and fixtures	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(d) Leases

(i) Definition of a lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain a substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

  At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Company applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Company uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other operating income".

The Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease. The Company aims to allocate finance income over the lease term on a systematic and rational basis. The Company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, Financial Instruments (see note 2(m)(i)).

(e) Contract asset/contract liability

A contract asset is recognised when the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 2(g)(i)).

A contract liability is stated at cost and represents the obligation of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

(g) Impairment

(i) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are Companyed together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (Companys of cash-generating units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior years are assessed at the end of each reporting year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Company's contributions to the statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(k) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfers control of service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Company performs;

(b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement 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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Office equipment	Computers	Plant and equipment	Lease improvement	Furniture and fixtures	Total
Cost						
At 1 April 2019	524,280	3,292,294	576,894	255,783	77,393	4,726,644
Additions	16,082	1,225,225	-	-	-	1,241,307
At 31 March 2020/1 April 2020	540,362	4,517,519	576,894	255,783	77,393	5,967,951
Additions	43,525	879,166	-	8,600	17,460	948,751
Disposals	-	(2,536)	-	(255,783)	-	(258,319)
At 31 March 2021	**583,887**	**5,394,149**	**576,894**	**8,600**	**94,853**	**6,658,383**
Depreciation						
At 1 April 2019	331,808	2,969,218	552,471	255,783	59,525	4,168,805
Depreciation for the year	90,203	358,977	20,664	-	10,293	480,137
At 31 March 2020/1 April 2020	422,011	3,328,195	573,135	255,783	69,818	4,648,942
Depreciation for the year	83,307	693,902	3,759	2,150	5,098	788,216
Disposals	-	(2,536)	-	(255,783)	-	(258,319)
At 31 March 2021	**505,322**	**4,019,561**	**576,894**	**2,150**	**74,916**	**5,178,839**
Carrying amount						
At 1 April 2019	192,472	323,076	24,423	-	17,868	557,839
At 31 March 2020/1 April 2020	118,351	1,189,324	3,759	-	7,575	1,319,009
At 31 March 2021	**78,565**	**1,374,592**	**-**	**6,450**	**19,937**	**1,479,544**

4. Right-of-use assets

	Buildings RM
At 1 April 2019	12,064,803
Depreciation	(4,076,575)
At 31 March 2020/1 April 2020	7,988,228
Depreciation	(3,994,114)
At 31 March 2021	**3,994,114**

The Company leases office that runs between 1 year and 3 years, with an option to renew the lease after that date.

5. Deferred tax assets

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Provisions	-	3,849,821	-	-	-	3,849,821
Unrealised foreign exchange differences	-	-	-	(118,180)	-	(118,180)
Property, plant and equipment	-	290,536	-	-	-	290,536
Right-of-use assets	-	-	-	(1,917,175)	-	(1,917,175)
Lease liabilities	-	1,945,447	-	-	-	1,945,447
	-	**6,085,804**	**-**	**(2,035,355)**	**-**	**4,050,449**

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2021
	RM
Provisions	45,516,170
Property, plant and equipment	1,148,481
Tax loss carry-forwards	15,425,422
Other temporary differences	183,362
	62,273,435

Unutilised tax losses amounting to RM15,425,422 will expire in years of assessment 2028 under the current tax legislation.

Deferred tax assets have not been recognised in respect of these items as the Company has been granted with the pioneer status as disclosed in Note 16.

Movement in temporary differences during the year:

	At 1.4.2019	Recognised in profit or loss (Note 16)	At 31.3.2020/ 1.4.2020	Recognised in profit or loss (Note 16)	At 31.3.2021
	RM	RM	RM	RM	RM
Provisions	-	3,849,821	3,849,821	(3,849,821)	-
Unrealised foreign exchange differences	-	(118,180)	(118,180)	118,180	-
Property, plant and equipment	-	290,536	290,536	(290,536)	-
Right-of-use assets	-	(1,917,175)	(1,917,175)	1,917,175	-
Lease liabilities	-	1,945,447	1,945,447	(1,945,447)	-
	-	**4,050,449**	**4,050,449**	**(4,050,449)**	**-**

6. Trade and other receivables

	Note	2021	2020
		RM	RM
Non-current			
Lease receivables	6.1	12,493,775	-
Current			
Trade			
Trade receivables	6.2	52,993,883	18,386,330
Amount due from related companies	6.3	40,468,263	-
Amount due from ultimate holding company	6.3	11,508,925	4,709,892
		104,971,071	**23,096,222**
Non-trade			
Lease receivables	6.1	5,254,858	-
Prepaid expense		5,593,035	97,375
Deposits		1,153,690	1,168,274
Other receivables		427,885	249,460
Amount due from related company	6.4	2,354,566	2,304,954
		14,784,034	3,820,063
		119,755,105	26,916,285
		132,248,880	**26,916,285**

6.1 Lease receivables

During the year, the Company has given hardware and software on finance lease. The transaction pertains to certain assets taken on lease and certain assets purchased from its customer and leased back to the customer with the lease amount fair valued at RM19,954,530. The lease periods under these arrangements range from 3 years to 7 years and are discounted using an interest rate of 4.9%. There is no collateral pledged in this transaction. The lease receivables as at reporting dates are as follows:

	2021 RM
At 1 April	-
Addition	22,223,990
Interest income	(788,094)
Lease payments received	(3,687,262)
At 31 March	**17,748,634**

The lease payments to be received are as follows:

	2021 RM
Less than one year	5,254,858
One to two years	5,145,045
Two to five years	7,097,980
More than five years	250,751
Total undiscounted lease payments	17,748,634
Unearned interest income	(1,478,730)
Net investment in lease	**16,269,904**

6.2 Trade receivables

Trade receivables are usually settled on 30 to 90 days.

6.3 Amount due from ultimate holding company and related companies

The amount due from ultimate holding company and related companies are subject to the normal trade terms.

6.4 Amount due from related company

The amount due from related company is unsecured, subject to interest at 3.78% per annum (2020: 3.78% per annum) and repayable on demand

7. Contract assets/(liabilities)

	2021 RM	2020 RM
Current		
Contract assets	26,341,590	20,058,650
Non-current		
Contract liabilities	(733,506)	-
Current		
Contract liabilities	(2,434,475)	(3,450,228)

The contract assets primarily relate to the Company's right to consideration for work completed on the milestone-based projects but not yet billed at the reporting date.

The contract liabilities primarily relate to the advance consideration received from customers for the milestone-based projects, which revenue is recognised overtime during the duration of the projects.

Significant changes to contract assets and contract liabilities balances during the period are as follows:

	2021 RM	2020 RM
Contract liabilities at the beginning of the period recognised as revenue	3,450,228	3,619,299

8. Cash and cash equivalents

	Note	2021 RM	2020 RM
Cash at banks		401,737	3,002,993
Fixed deposits with licensed bank	8.1	28,556,501	52,423,293
		28,958,238	**55,426,286**

8.1 The effective interest rate of fixed deposits ranges from 0.95% to 1.55% (2020: 1.51% to 2.85%) per annum and the maturity period ranges from 1 to 3 months (2020: 1 to 3 months).

9. Share capital

	Number of shares	Amount	Number of shares	Amount
	2021	2021	2020	2020
		RM		RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares At 1 April/31 March	**10,654,000**	**10,654,000**	**10,654,000**	**10,654,000**

Ordinary shares

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company.

10. Lease liabilities

	2021 RM	2020 RM
Non-current		
Finance lease liabilities	9,091,269	-
Lease liabilities	-	3,911,653
	9,091,269	**3,911,653**
Current		
Finance lease liabilities	4,776,607	-
Lease liabilities	3,674,094	4,194,377
	8,450,701	**4,194,377**
	17,541,970	**8,106,030**

Included in the current balance of lease liabilities were lease payables in relation the rental of office building amounting to RM3,674,094 (2019: RM8,106,030). The remaining balances are on account of the hardware and software related finance lease transactions which are subsequently lease back to the customer (See Note 6.1).

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments
	2021	2021	2021
	RM	RM	RM
Less than one year	5,318,721	(542,111)	4,776,607
Between one and five years	9,671,657	(580,388)	9,091,269
	14,990,378	**(1,122,499)**	**13,867,876**

11. Trade payables

	Note	2021	2020
		RM	RM
Trade payables	11.1	907,995	2,026,047
Amount due to immediate holding company	11.2	55,537,952	2,030,768
Amount due to related companies	11.2	1,053,285	-
		57,499,232	**4,056,815**

11.1 Trade payables

Trade payables are usually settled on 30 to 60 days.

11.2 Amount due to immediate holding company and related companies

The amount due to immediate holding company and related companies are subject to the normal trade terms.

12. Other payables

	Note	2021	2020
		RM	RM
Non-current			
Provision for employee benefits: leave encashment	12.1	890,870	485,330
Provision for onerous contracts	12.2	31,242,094	-
		32,132,964	**495,330**
Current			
Other payables		2,138,542	1,871,313
Accrued expenses		27,670,587	20,041,666
Provision for employee benefits: leave encashment	12.1	1,551,750	1,234,340
Provision for onerous contracts	12.2	29,594,155	-
		60,955,034	23,147,319
		93,087,998	**23,632,649**

12.1 Provision for employee benefits: leave encashment

Movement in provision for employee benefits: leave encashment is shown as follow:

	2021	2020
	RM	RM
At 1 April	1,719,670	1,462,708
Charge for the year (Note 15)	1,555,353	675,462
Leave encashment paid	(832,403)	(418,500)
At 31 March	**2,442,620**	**1,719,670**

The Company provides for the compensated absences subject to Company's leave policy. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each reporting date. It is measured as at reporting date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

12.2 Provision for onerous contracts

This provision related to onerous contracts which are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Significant estimate and judgement are required in estimating the budgeted costs in relation of the contract. A change in the estimates will directly affect the provision to be recognised in relation to the future obligations under the contract. The discount rate used is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability. This provision for onerous contract has occurred from a service agreement with other party and is towards the additional delivery costs.

13. Revenue

	2021 RM	2020 RM
Revenue from contracts with customers		
Sale of equipment	5,074,435	7,770,983
Rendering of services	214,754,486	111,025,635
	219,828,921	**118,796,618**

13.1 Disaggregation of revenue

	2021 RM	2020 RM
Timing of revenue recognition		
At a point of time	5,074,435	7,770,983
Over time	214,754,486	111,025,635
	219,828,921	**118,796,618**

13.2 Nature of services

The following information reflects the typical transactions of the Company:

Nature of services	**Timing of recognition or method used to recognised revenue**	**Significant payment terms**
Sale of equipment	Revenue is recognised at a point of time upon the completion of the project when the services are delivered and accepted by the customers at their premises.	Credit period of 30-90 days from invoice date.
Rendering of services	Revenue is recognised over the period of time for the milestone-based projects when the services are delivered and accepted by the customers at their premises.	Credit period of 30-90 days from invoice date.

13.3 Transaction price allocated to the remaining performance obligations

Revenue from performance obligations that are unsatisfied (or partially unsatisfied) as at the reporting date and will be recognised in the next twelve months is 2021: RM33,970,486 (2020: RM8,449,638).

14. Cost of services

	2021 RM	2020 RM
Employee cost	133,389,988	61,808,035
Hardware related expenses	53,968,710	6,918,429
Anticipated loss on project	60,836,249	-
	248,194,947	**68,726,464**

15. (Loss)/Profit for the year

	2021 RM	2020 RM
(Loss)/Profit for the year is arrived at after charging/(crediting):		
Auditors' remuneration		
Audit fees:		
- KPMG PLT	54,000	54,000
Material expenses/(income)		
Depreciation of property, plant and equipment	804,478	480,137
Depreciation on right-of-use assets	3,994,114.	4,076,575
Personnel expenses (including key management personnel):		
- Salaries and allowances	70,603,107	54,531,388
- Defined contribution plan	5,761,431	3,798,776
- Other staff-related expenses	4,709,684	3,477,871
Leave encashment expenses	1,555,353	675,462
Foreign exchange losses/(gain):		
- Realised	3,625,787	289,686
- Unrealised	21,015	(615,837)
Interest income	**(1,743,302)**	**(1,546,234)**
Net (gain)/loss on impairment of financial instruments		
Financial assets at amortised cost		
Trade receivables	101,090	(130,630)
Other receivables	158,033	132,968
Amount due from related companies	(1,098,253)	6,072,850
	(839,130)	**6,075,188**

In prior year, the net loss on impairment of financial assets at amortised cost includes RM6,072,850 for the impairment loss for loans given to Softgen Services Pte. Limited.

16. Tax expense

	2021 RM	2020 RM
Current tax expense		
- Current year	-	6,482,765
- Over provision in prior years	(5,917,585)	-
	(5,917,585)	**6,482,765**
Deferred tax expense		
- Origination and reversal of temporary differences	-	(4,050,449)
- Under provision in prior year	4,050,449	-
	4,050,449	(4,050,449)
	(1,867,136)	**2,432,316**
Reconciliation of tax expense		
(Loss)/Profit before tax	(44,887,365)	21,137,261
Income tax calculated using Malaysia tax rates at 24% (2019: 24%)	(10,772,967)	5,072,943
Non-deductible expenses	141,372	1,977,327
Deferred tax asset not recognised	10,895,176	-
Recognition of previously unrecognised deferred tax asset	-	(4,195,576)
Tax exempted income	(263,581)	(422,378)
Over provision in prior years	(1,867,136)	-
	(1,867,136)	**2,432,316**

The Company was awarded MSC Malaysian Status and is eligible for income tax exemption on statutory income from 31 May 2019 to 30 May 2024.

The Company was under pioneer status until 30 May 2024 and since the trade income was not taxable, no provision for tax was required to be made on the business income and no deferred tax was created.

17. Financial instruments

17.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount	AC
	RM	RM
2021		
Financial assets		
Trade and other receivables (excluding prepayments and GST receivables)	114,072,362	114,072,362
Cash and cash equivalents	28,958,238	28,958,238
	143,030,600	**143,030,600**
Financial liabilities		
Trade payables	(57,499,232)	(57,499,232)
Other payables (excluding VAT payable)	(28,820,253)	(28,820,253)
	(86,319,485)	**(86,319,485)**
2020		
Financial assets		
Trade and other receivables (excluding prepayments and GST receivables)	20,139,908	20,139,908
Cash and cash equivalents	55,426,286	55,426,286
	75,566,194	**75,566,194**
Financial liabilities		
Trade payables	(4,056,815)	(4,056,815)
Other payables (excluding VAT payable)	(21,547,752)	(21,547,752)
	(25,604,567)	**(25,604,567)**

17.2 Net gains and losses arising from financial instruments

	2021	2020
	RM	RM
Net losses on:		
Financial assets at amortised cost	2,561,327	(3,913,117)

17.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

17.4Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from the individual characteristic of each customer. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on new customers requiring credit over a certain amount.

At each reporting date, the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its customers and take appropriate action (including but not limited to legal action) to recover long overdue balances. Generally, trade receivables will pay within 30-90 days. The Company's debt recovery process is as follows:

a) Above 180 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the sales management team; and

b) Above 365 days past due, the Company will commence a legal proceeding gainst the customer.

The Company uses a simple average loss rate model and past due date to measure Expected Credit Losses ("ECLs") of trade receivables and contract assets. Consistent with the debt recovery process, invoices which are past due 365 days will be considered as credit impaired.

The Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
2021			
Current (not past due)	61,650,476	(788)	61,649,688
0 - 90 days past due	13,659,840	(899)	13,658,941
90 - 180 days past due	3,599,502	(414)	3,599,088
180 - 365 days past due	425,655	(224)	425,431
	79,335,473	**(2,325)**	**79,333,148**
Credit impaired			
Past due more than 365 days	15,345,075	(15,342,750)	2,325
	94,680,548	**(15,345,075)**	**79,335,473**
Trade receivables	68,338,958	(15,345,075)	52,993,883
Contract assets	26,341,590	-	26,341,590
	94,680,548	**(15,345,075)**	**79,335,473**
2020			
Current (not past due)	13,765,252	(811)	13,764,441
0 - 90 days past due	1,666,131	(250)	1,665,881
90 - 180 days past due	21,549,748	(365)	21,549,383
180 - 365 days past due	1,463,849	(1,408)	1,462,441
	38,444,980	**(2,834)**	**38,442,146**

	Gross carrying amount	Loss allowance	Net balance
	RM	RM	RM
Credit impaired			
Past due more than 365 days	15,243,985	(15,241,151)	2,834
	53,688,965	**(15,243,985)**	**38,444,980**
Trade receivables	33,630,315	(15,243,985)	18,386,330
Contract assets	20,058,650	-	20,058,650
	53,688,965	**15,243,985**	**38,444,980**

The movements in the allowance for impairment in respect of trade receivables during the year are shown below:

	Not credit impaired	Credit impaired	Total
	RM	RM	RM
Balance at 1 April 2019	-	16,808,706	16,808,706
Amounts written off	-	(1,434,091)	(1,434,091)
Net remeasurement of loss allowance	2,834	(133,464)	(130,630)
Balance at 31 March 2020/ 1 April 2020	**2,834**	**15,241,151**	**15,243,985**
Net remeasurement of loss allowance	(509)	101,599	101,090
Balance at 31 March 2021	**2,325**	**15,342,750**	**15,345,075**

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables and deposits are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Company manages the credit risk together with the leasing arrangement.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

The following table provides information about the exposure to credit risk for other receivable and deposits balances.

	Gross carrying amount	Impairment loss allowances	Net balance
	RM	RM	RM
2021			
Other receivables	1,004,826	(576,941)	427,885
Deposits	1,159,690	(6,000)	1,153,690
	59,306,351	**(582,941)**	**1,581,575**
2020			
Other receivables	668,368	(418,908)	249,460
Deposits	1,174,274	(6,000)	1,168,274
	1,842,642	**(424,908)**	**1,417,734**

The movement of allowance account used to record the impairment are as follows:

	Other receivables	Deposits	Total
	RM	RM	RM
Balance at 1 April 2019	285,940	6,000	291,940
Impairment loss recognised	132,968	-	132,968
Balance at 31 March 2020/ 1 April 2020	**418,908**	**6,000**	**424,908**
Impairment loss recognised	158,033	-	158,033
Balance at 31 March 2021	**576,941**	**6,000**	**582,941**

Other than the impairment losses made, the Company is of the view that the loss allowance is not material in relation to the other receivables and deposits balances at financial year end and hence, it is not provided for.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held with banks and financial institutions.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company trades with its ultimate holding company and related companies and provides advances to a related party. The Company monitors the results of the immediate holding company, related companies and related party on individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers receivables from its ultimate holding company, related companies and related party to have low credit risk. The Company assumes that there is a significant increase in credit risk when the financial position of immediate holding company's and related companies' financial positions deteriorate significantly. As the Company is able to determine the timing of payments of the balances when they are payable, the Company considers the balances to be in default when the immediate holding company, related companies or related party is not able to pay when demanded. The Company considers the immediate holding company's, a related company's or a related party's balances to be credit impaired when:

- The immediate holding company, a related company or a related party is unlikely to repay its balance to the Company in full.
- The immediate holding company, a related company or a related party is continuously loss making and is having a deficit shareholder's fund.

The Company determines the profitability of default for the receivables individually using internal information available.

Inter-company balances

The following table provides information about the exposure to credit risk for inter-companies balances.

	Gross carrying amount	Impairment loss allowance	Net balances
	RM	RM	RM
2021			
Amount due from ultimate holding company	11,508,925	-	11,508,925
Amount due from related company	47,797,426	(4,974,597)	42,822,829
	59,306,351	**(4,974,597)**	**54,331,754**
2020			
Amount due from ultimate holding company	4,709,892	-	4,709,892
Amount due from related company	8,377,804	(6,072,850)	2,304,954
	13,087,696	**(6,072,850)**	**7,014,846**

The movement of allowance account used to record the impairment are as follows:

	Credit impaired
	RM
Balance at 1 April 2019	**-**
Impairment loss	6,072,850
Balance at 31 March 2020/1 April 2020	**6,072,850**
Impairment loss	(1,098,253)
Balance at 31 March 2021	**4,974,597**

Other than the impairment loss made for the financial year, the Company did not recognise any allowances for impairment loss as the Company is of the view that the loss allowances is not material and hence, it is not provided for.

17.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables.

The Company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period:

	Carrying amount	Discount rate %	Contractual cash flows	Under 1 year	More than 1 year
2021	RM		RM	RM	
Non-derivative financial liabilities					
Lease liabilities	17,541,970	2.75 – 4.90	18,664,472	8,992,815	9,671,657
Trade payables	57,499,232	-	57,499,232	57,499,232	-
Other payables	28,820,253	-	28,820,253	28,820,253	-
	103,861,455		**104,983,957**	**95,312,300**	**9,671,657**
2020					
Non-derivative financial liabilities					
Lease liabilities	8,106,030	2.75	8,891,067	4,871,844	4,019,223
Trade payables	4,056,815	-	4,056,815	4,056,815	-
Other payables	21,547,752	-	21,547,752	21,547,752	-
	33,710,597		**34,495,634**	**30,476,411**	**4,019,223**

17.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's financial position or cash flows. The Company is not exposed to other price risk.

17.6.1 Currency risk

The Company is exposed to foreign currency risk on services rendered that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro Dollar ("EUR"), Indian Rupee ("INR") and Australian Dollar ("AUD").

Risk management objectives, policies and processes for managing the risk

The Company ensures that the net exposure is kept to an acceptable level by monitoring the fluctuation of the foreign currency.

Exposure to foreign currency risk

The Company's exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in			
	USD	**EUR**	**INR**	**AUD**
2021	**RM**	**RM**	**RM**	**RM**
Balances recognised in the statement of financial position				
Cash and cash equivalents	141,820	-	-	-
Trade receivables	16,454,412	398,232	-	-
Other receivables	37,177,933	-	-	-
Trade payables	(398,031)	(5,249,628)	-	(3,399,462)
Other payables	(3,387,711)	(48,652)	(29,592)	-
	49,988,423	**(4,900,048)**	**(29,592)**	**(3,399,462)**
2020				
Balances recognised in the statement of financial position				
Cash and cash equivalents	1,389,109	-	-	-
Trade receivables	1,704,746	857,179	-	-
Other receivables	2,304,954	-	-	-
Trade payables	(445,764)	-	(3,085)	-
Other payables	(944,248)	-	(11,097)	-
	4,008,797	**857,179**	**(14,182)**	**-**

Currency risk sensitivity analysis

A 5% (2020: 5%) strengthening of USD, EUR, INR and AUD against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss	
	2021	**2020**
	RM	**RM**
USD	2,380,401	190,895
EUR	(233,336)	40,818
INR	(1,409)	(675)
SGD	(161,879)	-
HKD	(22,035)	-
	1,961,742	**231,038**

A 5% (2020: 5%) weakening of USD, EUR, INR and AUD against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

17.6.2 Interest rate risk

The Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Company has entered into interest rate swaps in order to achieve an appropriate mix of fixed and floating rate exposure within the Company's policy.

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period, was::

	2021	2020
	RM	RM
Fixed rate instruments		
Financial assets	30,911,067	54,728,247

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

17.7 Fair value information

The carrying amounts of cash and cash equivalents and short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

18. Capital management

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

19. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel include all the Directors of the Company.

The Company has related party relationship with its ultimate holding company and related companies.

List of related parties:

Name of related party	**Nature of relationship**
Tech Mahindra Limited	Ultimate holding company
Sofgen Services Pte. Limited	Related company
Tech Mahindra Vietnam Company Limited	Related company

Significant related party transactions

Related parties transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Company are shown below. The balances related to the transactions are shown in Note 6 and Note 11.

	2021 RM	2020 RM
A. Ultimate holding company		
Service income charged to ultimate holding company	121,519,722	57,606,069
Reimbursement of expenses	14,988,281	4,592,905
B. Related company		
Interest income	209,995	270,421

20. Comparative figures

The following comparatives have been reclassified in order to conform with the current year's presentation.

	2020	
	As currently presented RM	As previously presented RM
Statement of profit or loss and other comprehensive income		
Other income	6,474,939	8,021,173
Administrative expenses	(30,705,091)	(30,878,878)
Finance income	1,546,234	-
Finance cost	(173,787)	-

Certain comparatives in the notes to the financial statements have also been represented to conform with the current year's presentation

SOFGEN HOLDINGS LIMITED

Board of Directors
Mr.Alexander Dembitz
Mr.Vikram Narayanan Nair
Mr.Vivek Satish Agarwal

Registered office
Arch. Makariou III, 229
Meliza Court, 4th Floor
P.C. 3105 Limassol (Cyprus)

Bankers
UBS Switzerland AG
HSBC Trinkaus & Burkhardt AG
Banco Bilbao Vizcaya Argentaria S.A.

Auditors
KPMG Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of Sofgen Holdings Limited

Report on the Audit of Special Purpose Condensed Consolidated Financial Statements Opinion

We have audited the special purpose condensed consolidated financial statements of Sofgen Holdings Limited (""hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the condensed consolidated balance sheet as at 31 March 2021, and the condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended, and notes to the condensed consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (together herein after referred to as "condensed consolidated financial statements"). These condensed consolidated financial statements have been prepared by the management as described in Note 2 to the condensed consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, of the consolidated state of affairs of the Group as at 31 March 2021, and of its consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date in accordance with Note 2 to the condensed consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Condensed Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the condensed consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the condensed consolidated financial statements.

Management's and Board of Directors' Responsibility for the Condensed Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these condensed consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, as described in Note 2 to the financial statements.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the condensed consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the condensed consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Condensed Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of condensed consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed consolidated financial statements, including the disclosures, and whether the condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the condensed consolidated financial statements of which we are the independent auditors.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the condensed consolidated financial statements.

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

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

Other Matter

The financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets (before consolidation adjustments) of USD 4,098 thousands as at 31 March 2021, total revenues (before consolidation adjustments) of USD 811 thousands and net cash flows (before consolidation adjustments) amounting to USD 81 thousands for the year ended on that date, as considered in the condensed consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the condensed consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the condensed consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the Management.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the condensed consolidated financial statements, which describes the basis of accounting. These condensed consolidated financial statements are prepared to assist the Holding Company, Tech Mahindra Limited to comply with the requirements of Section 129 of the Act / in the preparation of their Consolidated Financial Statements. These condensed consolidated financial statements are not the statutory financial statements of the Group. As a result, these condensed consolidated financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted or circulated, or referred to, in correspondence or discussion, in whole or in part or distributed to anyone other than the purpose for which it has been issued without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashish Gupta
Partner
Membership No. 215165
UDIN No:

Place: Pune
Date: July 8th 2021

CONDENSED CONSOLIDATED BALANCE SHEET

USD. in Thousand

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3A	36	100
(b) Right to Use Assets	3B	204	681
(c) Goodwill	4	-	2,406
(d) Financial Assets			
(i) Investments	5	83	33
(ii) Loans	5A	500	-
(iii) Other Financial Assets	6	155	202
(e) Income Tax Asset (Net)		-	301
(f) Deferred Tax Assets (Net)		282	856
(g) Other Non-Current Assets	7	439	409
Total Non - Current Assets		**1,699**	**4,989**
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	8	4,108	6,788
(ii) Cash and Cash Equivalents	9	8,072	5,773
(iii) Other Financial Assets	10	1,288	442
(b) Current Tax Assets		-	-
(c) Other Current Assets	11	1,627	3,686
Total Current Assets		**15,095**	**16,689**
Total Assets		**16,794**	**21,677**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	6,557	1,557
(b) Other Equity	13	(14,822)	(13,171)
Total Equity		**(8,265)**	**(11,614)**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liability		-	142
(b) Provisions	14	443	649
Total Non - Current Liabilities		**443**	**791**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	15,859	17,839
(ii) Lease Liability		218	507
(iii) Trade Payables		7,111	11,083
(iv) Other Financial Liabilities	16	484	745
(b) Other Current Liabilities	17	313	1,830
(c) Provisions	18	215	496
(d) Income Tax Liabilities (Net)		416	-
Total Current Liabilities		**24,616**	**32,500**
Total Equity and Liabilities		**16,794**	**21,677**

See accompanying notes forming part of the condensed consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP	**For Sofgen Holdings Limited**	
Chartered Accountants		
Firm Registration No. 101248W/W-100022		
Ashish Gupta	**Alexander L. Dembitz**	**Vivek Satish Agarwal**
Partner	Director	Director
Membership No.: 215165		
Place: Pune	Place: Switzerland	Place: Bengaluru
Date: July 8th, 2021	Date: July 8th, 2021	Date: July 8th, 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

USD. in Thousand

		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from Operations		23,912	27,131
II	Other Income	19	1,124	1,726
III	**Total Revenue (I +II)**		**25,036**	**28,857**
IV	**EXPENSES**			
	Employee Benefit Expenses	20	13,610	19,514
	Subcontracting Expenses		5,287	9,107
	Finance Costs	21	390	395
	Depreciation and Amortisation Expense	22	510	665
	Other Expenses	23	4,085	5,303
	Total Expenses		**23,882**	**34,984**
V	**Profit / (Loss) before Tax (III-IV)**		**1,155**	**(6,127)**
VI	**Income Tax Expense**			
	Current Tax		1,761	100
	Deferred Tax		840	(397)
	Total Tax Expense		**2,601**	**(297)**
VII	**Loss after tax (V-VI)**		**(1,446)**	**(5,830)**
	Loss for the year attributable to:			
	Owners of the Company		(1,446)	(5,830)
	Non Controlling Interests		-	-
VIII	**Other Comprehensive Income**			
A	I. Items that will not be reclassified to Profit or Loss			
	(a) Remeasurements of the Defined Benefit Liabilities - (loss)		6	(3)
	II. Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
B	I. Items that will be reclassified to Profit or Loss			
	(a) Exchange differences in translating the Financial Statements of Foreign Operations - gain/(loss) (net)		(211)	921
	Total Other Comprehensive Income / (Loss) (A+B)		**(205)**	**918**
IX	**Total Comprehensive Income / (Loss) (VII+VIII)**		**(1,651)**	**(4,911)**
	Total Comprehensive Income / (Loss) for the year attributable to:			
	Owners of the Company		(1,651)	(4,911)
	Non Controlling Interests		-	-
X	**Earnings per Equity Share in USD (Face Value EUR. 1)**			
	Basic		(1.31)	(5.33)
	Diluted		(1.31)	(5.33)

See accompanying notes forming part of the condensed consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP	**For Sofgen Holdings Limited**	
Chartered Accountants		
Firm Registration No. 101248W/W-100022		
Ashish Gupta	**Alexander L. Dembitz**	**Vivek Satish Agarwal**
Partner	Director	Director
Membership No.: 215165		
Place: Pune	Place: Switzerland	Place: Bengaluru
Date: July 8th, 2021	Date: July 8th, 2021	Date: July 8th, 2021

CONSOLIDATED CASH FLOW STATEMENT

USD. in Thousand

		For the year ended	
		March 31, 2021	**March 31, 2020**
A	**Cash Flow from Operating Activities**		
	Profit / (Loss) before tax	1,155	(6,127)
	Adjustments for :		
	Depreciation and Amortisation Expense	510	665
	Allowances for Doubtful Receivables / Advances and Deposits and Bad Debts written off (net)	195	448
	Excess Provision and Sundry Balances Written Back	(811)	
	Net gain on disposal of Property, Plant and Equipment, Investment Property and Intangible Assets	(3)	-
	Finance Costs	390	395
	Loss on sale of subsidiary	1,096	-
	Unrealised Exchange Loss/(Gain) (Net)	(934)	1,216
	Interest Income	(3)	(1)
	Operating Profit before Working Capital Changes	**1,595**	**(3,404)**
	Changes in working capital		
	Trade Receivables and Other Assets	4,804	2,836
	Trade Payables, Other Liabilities and Provisions	(5,817)	(1,471)
		(1,013)	**1,365**
	Cash (used in) operating activities before taxes	582	(2,039)
	Income taxes paid, net	(1,042)	(150)
	Net cash (used in) from operating activities (A)	**(460)**	**(2,189)**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment	0	(96)
	Proceeds from Sale of Property, Plant and Equipment	13	65
	Purchase of Treasury Bonds and Bills	(50)	(1)
	Proceeds from sale of subsidiary	4,466	-
	Sale of net assets of subsidiary	(3,155)	
	Loan given to related parties	(500)	-
	Interest Income Received	5	1
	Net cash generated /(used in) from investing activities (B)	**779**	**(31)**
C	**Cash Flow from Financing Activities**		
	Proceeds from issue of equity shares	5,000	-
	Repayment of Lease Liabilities	(452)	(510)
	Repayment of loans to Related parties (net)	(1,979)	3,432
	Finance Costs paid	(589)	(124)
	Net cash generated from financing activities (C)	**1,980**	**2,798**
	Net increase in cash and cash equivalents during the year (D=A+B+C)	**2,299**	**577**
	Cash and Cash Equivalents at the beginning of the year (E)	**5,773**	**5,196**
	Cash and Cash Equivalents at the end of the year (F+E+D) (Refer Note 9)	**8,072**	**5,773**

See accompanying notes forming part of the condensed consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP	**For Sofgen Holdings Limited**	
Chartered Accountants		
Firm Registration No. 101248W/W-100022		
Ashish Gupta	**Alexander L. Dembitz**	**Vivek Satish Agarwal**
Partner	Director	Director
Membership No.: 215165		
Place: Pune	Place: Switzerland	Place: Bengaluru
Date: July 8th, 2021	Date: July 8th, 2021	Date: July 8th, 2021

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

A. Equity Share Capital

USD. in Thousand

Balance as of April 1, 2019	Changes in equity share capital during the year ended	Balance as at March 31, 2020
1,557	-	1,557
Balance as of April 1, 2020	**Changes in equity share capital during the year ended**	**Balance as at March 31, 2021**
1,557	5,000	6,557

B. Other Equity

USD. in Thousand

Particulars	Reserves & Surplus				Items of Other comprehensive Income	Owners Equity	Total
	Securities Premium	General Reserve	Other Reserve	Retained Earnings	Foreign Currency Translation Reserve		
Balance as at April 1, 2019	**11,049**	**566**	**148**	**(17,320)**	**(2,688)**	**(8,245)**	**(8,245)**
Transition impact of Ind AS 116, net of tax	-	-	-	(14)		(14)	(14)
Loss for the year				(5,830)		(5,830)	(5,830)
Other Comprehensive Income (net of tax)	-	-	-	(3)	921	918	918
Balance as at April 1, 2020	11,049	566	148	(23,167)	(1,767)	(13,171)	(13,171)
Loss for the year	**-**	**-**	**-**	**(1,446)**	**-**	**(1,446)**	**(1,446)**
Other Comprehensive Income (net of tax)	-	-	-	6	(211)	(205)	(205)
Total Comprehensive income	-	-	-	(1,440)	(211)	(1,651)	(1,651)
Balance as at March 31, 2021	**11,049**	**566**	**148**	**(24,607)**	**(1,978)**	**(14,822)**	**(14,822)**

Securities Premium:

Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options.

General Reserve:

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

Statutory Reserve:

Statutory reserve represent reserve created out of profits for compliance of local laws of a subsidiary.

Retained Earnings:

Retained earnings represents the undistributed profits of the group accumulated as on balance sheet date.

Foreign Currency Translation Reserve:

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than USD is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

See accompanying notes forming part of the condensed consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For Sofgen Holdings Limited

Ashish Gupta
Partner
Membership No.: 215165
Place: Pune
Date: July 8th, 2021

Alexander L. Dembitz
Director
Place: Switzerland
Date: July 8th, 2021

Vivek Satish Agarwal
Director
Place: Bengaluru
Date: July 8th, 2021

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Corporate Information:

The Company Sofgen Holdings Limited (the ''Company'') was incorporated in Cyprus on 27 May 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 229, Arch. Makarios III Ave. Meliza Court, 4th floor, 3105, Limassol, Cyprus.

The condensed consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on July 8th 2021.

2. Significant accounting policies:

2.1 Statement of Compliance:

These condensed consolidated financial statements (referred to as 'financial statements') have been prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis for preparation of financial statements:

The functional currency of the Company is EURO and of its subsidiaries is the currency of the primary economic environment in which the entity operates. The presentation currency of the reporting entity is USD to facilitate consolidation by the Ultimate Holding Company.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle.

The net-worth of the Group is eroded, primarily on account of losses earned in recent years. Management has performed an assessment of the ability of the Group to continue as a going concern at the reporting date for the foreseeable future, including a sensitivity assessment of its projections. In addition, the Group has obtained a Letter of Support from its ultimate holding company to provide financial assistance to the Group and it will continue in the near future which will at least be for 12 months from the date of signing of the 2021 financial statements.

Considering all the above factors, the Group believes that it has the ability to pay its operating expenses as they fall due in the ordinary course from its operating income and cash reserves; to satisfy the interest repayments in the ordinary course for 12 months from the date of the financial statements, from free cash available. Further, the Group continues to generate and receive revenue through new and existing customers even during the Pandemic situation and current economic uncertainty. Accordingly, these financial statements have been prepared as per the going concern assumption.

The Financial statements have been prepared as per section 129 (1) of the Act to assist the Tech Mahindra Limited (Parent Company) for preparation of consolidated financial statements and for the purpose of compliance with the provision of section 129 and Section 136 read with Schedule III of the Companies Act, 2013.

2.3 Basis of Consolidation:

These condensed consolidated financial statements comprise the financial statements of Sofgen Holdings Limited and its subsidiaries (the Company and its subsidiaries constitute "the Group"). The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity. The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra- group balances, transactions including unrealized gain / loss from such transactions and cash flows are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Condensed Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

2.4 Business Combinations:

Acquisitions of businesses are accounted for using the purchase (acquisition) method.

The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed, and equity instruments issued at the date of exchange by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expenses as incurred.

The interest of non-controlling shareholders is initially measured either at fair value or at the non- controlling interests' proportionate share of the fair value of the acquiree' s identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognized in profit or loss.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment at least annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination, are measured at fair value as of the date of acquisition. Following initial recognition intangible assets are carried at cost , less accumulated amortization and accumulated impairment losses, if any.

2.5 Use of Estimates:

The preparation of financial statements requires the management of the Group to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical accounting estimates

i) Revenue Recognition

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Judgement is also required to determine the transaction price for the contract and to allocate the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

ii) Income taxes

The major tax jurisdictions for the Company are Cyprus, Singapore, Philippines and Africa. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced. The policy for the same has been explained under Note 2.15.

iii) 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 the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.6.

iv) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.17.

v) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

vi) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections consider past experience and represent management's best estimate about future developments.

vii) Compensated Absences

The cost of the compensated absences is based on actuarial valuation using the projected unit credit method. 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, other long-term employee benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The policy for the same has been explained under Note 2.13.

viii) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period. The policy for the same has been explained under Note 2.8.

ix) Estimation uncertainties relating to the COVID-19 pandemic

The Group has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and goodwill. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Group based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions.

2.6 Property, Plant & Equipment and Intangible assets:

Property, Plant & Equipment and intangible assets are stated at actual cost less accumulated depreciation and net of impairment.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the item to it working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work in progress.

Depreciable amount for assets is the cost of an asset, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life has been assessed based on internal technical estimate, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives of assets are as follows:

Computers	3 years
Furniture and Fixtures	5 years
Plant and equipments	3 to 5 years
Leasehold Improvements	5 yeas
Office Equipment	5 years

The estimated useful lives and residual values of the Property, Plant & Equipment and Intangible Assets are reviewed at the end of each reporting period

Leasehold improvements are amortized over the shorter of estimated useful life of the asset and lease term.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Project specific intangible assets are amortized over their estimated useful lives on a straight-line basis or over the period of the license/lease period, whichever is lower.

An item of Property, Plant & Equipment and intangibles asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

2.7 Leases:

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

Group as a lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue to allocate the consideration in the contract.

2.8 Impairment of Assets:

i) Financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate. Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes into the account historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

ii) Non-financial assets

a) Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit

(CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than it's carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

b) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGUs' expected to benefit from the synergies arising from the business combination.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

The Group estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

2.9 Revenue recognition:

Revenue from information technology services include revenue earned from services rendered on 'time and material' basis, time bound fixed price engagements and fixed price development contracts. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expect to receive in exchange for those products or services, net of indirect taxes, discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

Revenue from time and material contracts is recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed price maintenance contracts is recognised based on the right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If invoicing is not consistent with value delivered, revenue is recognized as the services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognised on a straight-line basis over the specified period unless some other method better represents the manner in which services are performed.

Revenue on fixed price development contracts is recognised using the 'percentage of completion' method of accounting, unless work completed cannot be reasonably estimated. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third- party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognizes gross amount of consideration as revenue when it is acting as a principal and net amount of consideration as revenue when it is acting as an agent.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

In arrangements for hardware and software implementation and integration, related services and maintenance services, the Group has applied the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. Fixed Price Development contracts and related services, the performance obligation is satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a ‘right to use’ the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a ‘right to access’ is recognised over the access period. The Group has applied the principles of Ind AS 115 to account for revenues for these performance obligations.

The Group accounts for volume discount and pricing incentives to customers as a reduction based on ratable allocation of the discounts/incentives amount to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning the discount/incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are upfront costs incurred for the contract and are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling prices. Services added that are not distinct are accounted for on a cumulative catch up basis, while those are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Liquidated damages and penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Group and when there is a reasonable certainty with which the same can be estimated.

The Group disaggregates revenue from contracts with customers by geography.

Dividend income is recognised when the Group’s right to receive dividend is established. Interest income is recognised using effective interest rate method.

2.10 Foreign currency transactions:

The functional currency of the group is United States Dollar (‘USD’) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the dates of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

2.11 Foreign Operations:

For the purpose of these consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognized in other comprehensive income and accumulated in equity.

When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However, when a change in the parent’s ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

2.12 Financial Instruments:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

i) Non-derivative financial instruments:

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest rate method less impairment losses, 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

Financial asset not measured at amortized cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Group, on initial application of IND AS 109 has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method or at FVTPL. For financial liabilities carried at amortized cost, the carrying amounts approximate fair values due to the short-term maturities of these instruments. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized in a business combination or is held for trading or it is designated as FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit and 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.

ii) Financial Guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

iii) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risk and rewards of transferred financial assets, the Group continues to recognize the financial asset and also recognizes the borrowing for the proceeds received.

The Group derecognizes financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

2.13 Employee Benefits:

a) Gratuity:

The Group accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation, or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method. Certain overseas subsidiaries of the Company also provide for retirement benefit plans in accordance with the local laws.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognized in profit or loss in the period of a plan amendment.

b) Defined Contribution Plans

Provident fund/Social Security Contributions:

The eligible employees of the Group are entitled to receive the benefits of Social Security Contributions Scheme applicable to the employees as per the labour laws of the country in which the subsidiary is domiciled. These Schemes are in nature of a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees' salary which are charged to the Statement of Profit and Loss on accrual basis.

c) Compensated absences:

The Group provides for the compensated absences subject to certain Group's rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date. It is measured as at balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method, whereas provision for encashment of unavailed leave on retirement is made on actual basis for foreign subsidiaries.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The Group also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is recognised as undiscounted liability at the balance sheet date.

d) Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised in the statement of profit and loss during the period when the employee renders the service.

2.14 Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

2.15 Taxation:

Tax expense comprises of current tax and deferred tax. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units has a legally enforceable right and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent 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 utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income 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 income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liability (DTL) is not recognized on the accumulated undistributed profits of the subsidiary companies in the consolidated financial statements of the company if it is determined that such accumulated undistributed profits will not be distributed in the foreseeable future. When it is probable that the accumulated undistributed profits will be distributed in the foreseeable future, then DTL on accumulated undistributed profits of the subsidiary companies is recognized in the consolidated statement of profit and loss of the Group.

In cases, where the dividend distribution tax (DDT) paid by a subsidiary on distribution of its accumulated profits/ tax on dividend from a foreign subsidiary, is allowed as a set off against the Group's own DDT liability, then the amount of DDT paid by domestic subsidiary/ tax paid on foreign dividend is recognised in the consolidated statement of changes in equity.

The Group recognizes interest levied and penalties related to income tax assessments in interest expenses.

2.16 Earnings per Share:

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.17 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Group has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.18 Recent Indian Accounting Standards (Ind AS):

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1 April 2021. The amendments primarily relate to:

a) Change in existing presentation requirements for certain items in the Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions

d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel

e) Disclosures relating to undisclosed income and crypto or virtual currency etc.

The Company is currently evaluating the impact of these amendments.

Note 3 : Property, Plant and Equipment

USD. in Thousand

Particulars	Gross Block					Accumulated Depreciation					Net Block
	Balance at the beginning of period	Additions during the year	Deletions during the year	Foreign Currency Translation	Balance as at the end of the period	Balance at the beginning of period	Depreciation for the year	On deletion	Foreign Currency Translation	Balance as at the end of the period	As at March 31, 2021
Computers	895	(0)	699	27	224	858	16	690	35	219	5
	800	96	-	(1)	895	720	121	-	17	858	37
Plant and Equipment	6	-	0	-	6	4	2	0	0	6	(0)
	6	-	0	0	6	2	2	-	0	4	2
Furniture and Fixtures	468	0	95	23	397	413	28	94	20	366	29
	483	-	-	(15)	468	375	49	-	(11)	413	55
Office Equipments	322	-	115	15	222	316	1	115	18	220	2
	395	-	65	(8)	322	306	26	-	(16)	316	6
Leasehold Improvements	203	-	157	4	50	203	-	157	5	50	0
	200	-	-	3	203	200	-	-	3	203	1
Balance as at 31 March 2021	**1,894**	**(0)**	**1,067**	**70**	**898**	**1,794**	**48**	**1,057**	**77**	**861**	**36**
Balance as at 31 March 2020	**1,884**	**96**	**65**	**(21)**	**1,894**	**1,603**	**198**	**-**	**(7)**	**1,794**	**100**

Note 3B : Right-of-Use Assets

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Block		
Balance at the beginning of period	1,137	-
Transition impact of Ind AS 116	-	537
Additions	-	600
Deletions	(150)	-
Foreign Currency Translation	(10)	-
Balance as at the end of the period	**977**	**1,137**
Accumulated Depreciation		
Balance at the beginning of period	456	-
Transition impact of Ind AS 116	-	-
Additions	462	466
Foreign Currency Translation	5	(10)
Deletions	(150)	-
Balance as at the end of the period	**774**	**456**
Net Block as at March 31, 2021	**204**	**681**

Note 4 : Goodwill

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of period	2,406	2,406
Addition/ Acquisition	-	-
Disposals	(2,406)	-
Foreign Currency Translation	-	-
Balance as at the end of the period	**-**	**2,406**

Note 5 : Investments - Non Current

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
In Bonds, Debentures and Trust Securities		
- Unquoted, carried at amortized cost		
Treasury Bonds and Bills	83	33
Total	**83**	**33**

Note 5A: Loans

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Loans to Related Party	500	-
	500	**-**

Note 6 : Other Financial Assets : Non Current

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Unbilled Revenue	**-**	-
Interest Receivable		
On bank deposits	-	-
Others	1	-
	1	**-**
Security Deposits		
- Unsecured, considered good	155	202
- Credit Impaired	-	2
Less : Allowance for expected credit loss	-	2
	155	**202**
Total	**155**	**202**

Note 7 : Other Non-Current Assets

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Government Authorities		
Unsecured, considered good	439	409
	439	**409**

Note 8 : Trade Receivables : Current

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Considered good, unsecured	4,108	6,788
Credit Impaired	1,726	1,578
	5,834	**8,366**
Less: Allowance for expected credit loss	1,726	1,578
Total	**4,108**	**6,788**

Note 9 : Cash and Cash Equivalents

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in hand	0	0
Balances with banks		
In Current Accounts	8,049	5,648
In Deposit Account (original maturities less than three months)	22	125
Total	**8,072**	**5,773**

Note 10 : Other Financial Assets : Current

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Unbilled Revenue	1,287	440
Interest Receivable		
On bank deposits	-	2
Others	1	-
	1	2
Total	**1,288**	**442**

Note 11: Other Current Assets

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Advance to employees	2	23
Prepaid Expenses	53	148
Contract Assets	1,492	3,370
Balance with Government Authorities	61	111
Others Advances	19	34
Total	**1,627**	**3,686**

Note 12 : Equity Share Capital

Particulars	March 31, 2021		March 31, 2020	
	Number	**USD. in Thousand**	**Number**	**USD. in Thousand**
Authorised Share Capital				
Ordinary Shares	5,335,848	5,336	4,797,938	6,837
Class A Shares	27,062	39	27,062	39
Option Shares	17,500,000	24,938	17,500,000	24,938
Issued, Subscribed and Paid up Share Capital				
Ordinary Shares	5,335,848	6,519	1,065,848	1,519
Class A Shares	27,062	38	27,062	38
Total	**5,362,910**	**6,557**	**1,092,910**	**1,557**
Reconciliation of No. of Equity Shares and Equity Share Capital				
Shares outstanding at the beginning of the year	1,092,910	1,557	1,092,910	1,557
Shares issued during the year	4,270,000	5,000	-	-
Total	**5,362,910**	**6,557**	**1,092,910**	**1,557**

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	**% of Holding #**	**No. of Shares held**	**% of Holding #**
Tech Mahindra Limited	5,362,910	100	1,092,910	100

This percentage of holding is presented with reference to Issued, Subscribed and Paid up..

i) Each ordinary equity share and option share entitles the holder to one vote and carries an equal right to dividend. Class A type equity shares are not entitled to right to vote or dividend.

ii) Capital Management:

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt and total equity of the Group. The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure of the Group on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Note 13 : Other Equity

USD. in Thousand

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Securities Premium Account		
Opening Balance	11,049	11,049
Closing Balance	**11,049**	**11,049**
Statutory Reserve		
Opening Balance	148	148
Closing Balance	**148**	**148**
General Reserve		
Opening Balance	566	566
Closing Balance	**566**	**566**
Retained Earnings		
Opening Balance	(23,167)	(17,320)
Transition impact of Ind AS 116, net of tax (Refer Note 36)	-	(14)
	(23,167)	**(17,334)**
Loss for the year	(1,446)	(5,830)
Other Comprehensive Income (net)	6	(3)
Closing Balance	**(24,607)**	**(23,167)**
Foreign Currency Translation Reserve		
Opening Balance	(1,767)	(2,688)
Add: Movement during the year	(211)	921
Closing Balance	**(1,978)**	**(1,767)**
Total	**(14,822)**	**(13,171)**

Note 14 : Provisions : Non Current

USD. in Thousand

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Provision for employee benefits		
Compensated absences and Long service awards	443	649
	443	**649**

Note 15 : Borrowings : Current

USD. in Thousand

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Unsecured Borrowings		
From Related Parties*	15,859	17,839
	15,859	**17,839**

'*The loans are for fixed tenure with repayment on or before March 31, 2022. Interest rate on borrowings is in the range of 1%-4% p.a.

Note 16: Other Financial Liabilities : Current

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Interest payable on borrowings	43	264
Accrued Salaries and Benefits	441	481
	484	**745**

Note 17 : Other Current Liabilities

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Unearned Revenue	93	1,080
Statutory Dues	220	750
	313	**1,830**

Note 18 : Provisions : Current

USD. in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity	1	7
Compensated absences and Long service awards	214	413
Other Provisions		
Others	-	76
Total	**215**	**496**

Note 19 : Other Income

USD. in Thousand

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest Income		
- On Bank deposits	3	1
Gain on disposal of Property, Plant and Equipment (net)	3	-
Foreign Exchange (Loss)/Gain (net)	-	(992)
Miscellaneous Income	307	-
Sundry Balances Written Back	195	2,717
Excess Provision No Longer Required Written Back	616	-
Total	**1,124**	**1,726**

Note 20 : Employee Benefit Expenses

USD. in Thousand

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries and wages	12,788	18,462
Contribution to provident and other funds	817	1,002
Gratuity	-	4
Staff welfare expenses	5	46
Total	**13,610**	**19,514**

Note 21 : Finance Costs

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2021	**March 31, 2020**
Interest on loans from related parties	343	384
Other Interest expense	26	3
Interest expense on Lease Liability	21	8
Total	**390**	**395**

Note 22 : Depreciation and Amortisation Expense

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2021	**March 31, 2020**
Depreciation on Property, Plant and Equipment	48	199
Depreciation on Right of Use Asset	462	466
Total	**510**	**665**

Note 23 : Other Expenses

USD. in Thousand

Particulars	For the Year Ended	
	March 31, 2021	**March 31, 2020**
Power and Fuel Expenses	52	80
Short term leases	70	241
Rates and Taxes	27	189
Communication Expenses	109	110
Travelling Expenses	233	1,784
Recruitment Expenses	208	120
Training	49	87
Hire Charges	-	0
Legal and Other Professional fees	297	1,028
Repair and Maintenance Expenses		
- Buildings (including leased premises)	-	-
- Machinery and Computers	24	11
- Others	59	152
	83	**163**
Insurance Charges	265	411
Software, Hardware and Project Specific Expenses	774	110
Advertisement, Promotion & Selling Expenses	99	354
General Office Expenses	37	54
Allowance for Doubtful Receivables and Bad Debts written off (net)		
- Provided during the period	165	92
- Bad Debts written off	-	10
- Less: Reversed during the period	-	-
	165	**102**
Allowance for Doubtful Advances, Deposits and Advances written off (net)		
- Provided during the period	-	130
- Advances written off	30	216
	30	**346**
Loss on sale of subsidiary	1,096	-
Foreign Exchange (Loss)/Gain (net)	405	-
Miscellaneous Expenses	85	124
Total	**4,085**	**5,303**

24. Particulars of Consolidation

The financial statements present the consolidated accounts of the Group, which consists of financial statements of Sofgen Holdings Limited and its subsidiaries:

Name of Company	Country of Incorporation	Extent of Holding	
		As at March 31, 2021	As at March 31, 2020
Sofgen Holdings Limited and its following subsidiaries:	Cyprus		
• Tech Mahindra (Switzerland) SA* (Formerly known as Sofgen SA)	Switzerland	-	100%
• Sofgen Africa Limited	Kenya	100%	100%
• Tech Mahindra Products Services Signapore Pte. Ltd. (Formerly known as Sofgen Services Pte. Ltd.)	Singapore	100%	100%

* During the financial year 2020-21 the investment in Tech Mahindra (Switzerland) SA was sold to Tech Mahindra Limited.

25. Contingent Liabilities

Bank Guarantees/corporate guarantees outstanding as at March 31, 2021: Nil. March 31, 2020: USD 0.78 Million).

26. Goodwill

Following is the summary of changes in carrying amount of goodwill:

USD in Thousands

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	2,406	2,406
Acquisition/(Sell-off) during the year	(2,406)	-
Effect of foreign currency exchange differences (net)	-	-
Impairment	-	-
Balance at the end of the year	**-**	**2,406**

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill has been allocated for impairment testing purposes to the underlying cash-generating unit ('CGU') identified based on business units/geographies. The goodwill impairment test is performed at the level of the CGU or groups of CGUs which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. The recoverable value was determined by value in use in cases where there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions.

In determining the value in use, cash flow projections from financial budgets approved by senior management have been considered. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins.

Cash flow projections are considered for next 3-5 years and consider past experience and represent management's best estimate about future developments. Cash flows beyond the five-year period are extrapolated using a 2% rate (31 March 2020).

The goodwill as of 31 March 2020 pertained to investment in Tech Mahindra (Switzerland) SA which was sold to Tech Mahindra Limited during the financial year 2020-21. Hence the entire goodwill has been reversed and impairment testing was not required as of 31 March 2021.

27. Details of employee benefits as required by IND AS-19 - Employee Benefits are as under:

Defined Contribution Plan

Amount recognized as an expense in the Statement of Profit and Loss for the year ended March 31, 2021 in respect of defined contribution plan is USD 817 Thousand (March 31, 2020: USD 1,002 Thousand).

28. Financial Instruments and Risk Review

Financial Risk Management Framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

USD in Thousand

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortized cost	Total carrying value	Total Fair Value*
Assets:						
Cash and cash equivalents	-	-	-	8,072	8,072	8,072
Trade receivables	-	-	-	4,108	4,108	4,108
Investments (other than subsidiaries)	-	-	-	83	83	83
Loans	-	-	-	500	500	500
Other financial assets	-	-	-	1,443	1,443	1,443
Total	**-**	**-**	**-**	**14,206**	**14,206**	**14,206**
Liabilities:						
Trade and other payables	-	-	-	7,111	7,111	7,111
Borrowings	-	-	-	15,859	15,859	15,859
Lease Liability	-	-	-	218	218	218
Other financial liabilities	-	-	-	484	484	484
Total	**-**	**-**	**-**	**23,672**	**23,672**	**23,672**

The carrying value and fair value of financial instruments by categories as of March 31, 2020 is as follows:

USD in Thousand

Particulars	Fair value through P&L	Fair value through OCI	Derivative instruments in hedging relationship	Amortized cost	Total carrying value	Total Fair Value*
Assets:						
Cash and cash equivalents	-	-	-	5,773	5,773	5,773
Trade receivables	-	-	-	6,788	6,788	6,788
Investments (other than subsidiaries)	-	-	-	33	33	33
Other financial assets	-	-	-	644	644	644
Total	**-**	**-**	**-**	**13,238**	**13,238**	**13,238**
Liabilities:						
Trade and other payables	-	-	-	11,083	11,083	11,083
Borrowings	-	-	-	17,839	17,839	17,839
Lease Liability				649	649	649
Other financial liabilities	-	-	-	745	745	745
Total	**-**	**-**	**-**	**30,316**	**30,316**	**30,316**

*The fair value of cash and cash equivalents, trade receivables, unbilled receivables, trade payables, borrowing and certain other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Fair Value Hierarchy

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required), The different levels have been defined as follows:

Level-1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at net market value.

Level-2 – Inputs other than quoted prices included within level-1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level- 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Since there are no financial instruments valued at fair value, no further disclosure is required.

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, and other financial assets. None of the financial instruments of the Group results in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in funds deposited at a bank/financial institution for a specified time period.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 14,206 Thousand and USD 13,238 Thousand as of March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of trade receivables, investments, loans, cash and cash equivalents, and other financial assets.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on. Refer Note 25 above.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusts for forward-looking information. Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2021 and March 31, 2020. The concentration of credit risk is limited because the customer base is large and unrelated.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Movement in the expected credit loss allowance:

		USD in Thousand
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the year	1,578	1,476
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	165	102
Foreign currency translation difference	(17)	-
Balance at the end of the year	**1,726**	**1,578**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, and other market changes. The Group's exposure to market risk is primarily because of foreign currency exchange rate risk.

Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Singapore Dollar, Great Britain Pound, Swiss Franc and Kenyan Shillings against the respective functional currencies of Sofgen Holdings Limited. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Interest Rate Sensitivity Analysis

If interest rates had been 0.25 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2021 would decrease/increase by USD 42 Thousand (March 31, 2020: decrease/ increase by USD 40 Thousand). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

USD in Thousand

Particulars	**Less than 1 year**	**1-3 years**	**3-5 years**	**Total**
Non-Derivative Financial Liabilities				
Lease Liabilities	218	-	-	218
Other borrowings	15,859	-	-	15,859
Trade Payables	7,111	-	-	7,111
Other Financial Liabilities	484	-	-	484
Total	**23,672**	-	-	**23,672**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

USD in Thousand

Particulars	**Less than 1 year**	**1-3 years**	**3-5 years**	**Total**
Non-Derivative Financial Liabilities				
Lease Liabilities	521	143	-	664
Other borrowings	17,839	-	-	17,839
Trade Payables	11,083	-	-	11,083
Other financial liabilities	745	-	-	745
Total	**30,188**	143	-	**30,331**

Other Risks:

Financial assets carried at amortized cost as at March 31, 2021 is USD 14,206 Thousand (March 31, 2020: USD 13,238 Thousand)

In addition to assessing counterparty risk and the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations due to the COVID-19 pandemic. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables and contract assets while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables is considered adequate.

29. Current Tax and Deferred Tax

The income tax expense for the year ended can be reconciled to the accounting profit as follows:.

USD in Thousand

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Profit/(Loss) before income taxes	1,155	(6,127)
Enacted tax rates	22.51%	25%
Income tax expense calculated at tax rate	(260)	1532
Effect of expenses that are not deductible in determining taxable profit	501	(64)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	38	(1632)
Others	(2,879)	(133)
Income tax expense recognized in profit or loss	**(2,601)**	**297**

Deferred Tax:

The breakup of Deferred Tax Assets presented in the Balance Sheet is as follows::

USD in Thousand

Particulars	As at March 31, 2021	As at March 31, 2020
Property, Plant and Equipment	-	-
Provisions	282	856
Other Items	-	-
Total	**282**	**856**

The tax effect of significant timing differences that has resulted in deferred tax assets given below:

USD in Thousand

Particulars	For year ended March 31, 2021				
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Others*	Closing balance
Property, Plant and Equipment	-	-	-	-	-
Provisions	856	(840)	-	266	282
Other Items	-	-	-	-	-
Net Deferred Tax Assets	**856**	**(840)**	**-**	**266**	**282**

USD in Thousand

Particulars	For year ended March 31, 2020 Opening balance	Recognised in Profit and loss	Recognised in OCI	Others*	Closing balance
Property, Plant and Equipment	-	-	-	-	-
Provisions	493	397	-	(34)	856
Other Items	-	-	-	-	-
Net Deferred Tax Assets	**493**	**397**	**-**	**(34)**	**856**

*includes exchange (gain)/ loss

30. Related Party Disclosures

As required under Indian Accounting Standard 24 “Related Party Disclosures” (Ind AS – 24), following are the details of transactions during the year ended March 31, 2021 and outstanding balances as of that date with the related parties of the Group as defined in Ind AS 24.

a) List of Related Parties and Relationships

Name of Related Party	Relation
Mahindra & Mahindra Limited	Promoter/Enterprise having significant influence.
Tech Mahindra Limited	Holding Company
Leadcom Integrated Solutions (L.I.S.) Ltd	Fellow Subsidiary Company
Tech Mahindra (Switzerland) SA (Formerly known as Sofgen SA)	Fellow Subsidiary Company
Tech Mahindra Singapore Pte. Ltd.	Fellow Subsidiary Company
Tech Mahindra Gmbh	Fellow Subsidiary Company
Mahindra Engineering Services UK Limited	Fellow Subsidiary Company
Tech Mahindra ICT Services Sdn Bhd	Fellow Subsidiary Company
Alexander L. Dembitz	
Vikram Nair	Key Management Personnel
Vivek Agarwal	

b) Related Party Transactions for the year

USD in Thousand

Nature of Transactions	Name of the party	For the year ended March 31, 2021	March 31, 2020
Revenue	Tech Mahindra Limited	4,271	3,090
	Leadcom Integrated Solutions (L.I.S.) Ltd	636	1,021
	Tech Mahindra (Switzerland) SA	189	-
	Tech Mahindra (Americas) Inc	626	731
Sub-contracting cost	Tech Mahindra Limited	244	759
	Tech Mahindra (Switzerland) SA	42	-
Interest Expenses	Mahindra Engineering Services (Europe) Limited	51	22
	Tech Mahindra ICT Services (Malaysia) SDN. BHD	30	39
	Tech Mahindra (Singapore) Pte Limited	21	30
	Tech Mahindra GmbH	241	293
Loan Taken	Tech Mahindra GmbH	2,606	8,027
	Mahindra Engineering Services (Europe) Limited	-	1,500
Loan Repaid	Mahindra Engineering Services (Europe) Limited	-	6,028

Nature of Transactions	Name of the party	For the year ended March 31, 2021	March 31, 2020
	Tech Mahindra GmbH	4,900	-
	Tech Mahindra (Singapore) Pte Limited	145	-
	Tech Mahindra ICT Services (Malaysia) SDN. BHD	200	-
Loan Given	Tech Mahindra (Switzerland) SA	500	-

USD in Thousand

Balance as on	Name of the party	March 31, 2021	March 31, 2020
Trade Payables	Tech Mahindra Limited	5,409	6,768
	Tech Mahindra (Switzerland) SA	737	-
Trade Receivables	Tech Mahindra Limited	372	390
	Leadcom Integrated Solutions (L.I.S.) Ltd	154	0
	Tech Mahindra (Americas) Inc	(7)	206
	Tech Mahindra (Switzerland) SA	1,881	-
Unbilled Revenue	Tech Mahindra Limited	7	-
	Tech Mahindra (Switzerland) SA	231	-
	Leadcom Integrated Solutions (L.I.S.) Ltd	-	415
Loan given (Along with unpaid interest)	Tech Mahindra (Switzerland) SA	500	-
Loan taken (Along with unpaid interest)	Mahindra Engineering Services (Europe) Limited	1,500	1,504
	Tech Mahindra GmbH	12,192	14,138
	Tech Mahindra ICT Services (Malaysia) SDN. BHD	1,225	1,407
	Tech Mahindra (Singapore) Pte Limited	985	1,054

31. Operating Segments

Ind AS 108 establishes standards for the way that companies report information about their operating segments and related disclosures, as applicable about products and services, geographic areas, and major customers.

Based on the “management approach” as defined in Ind AS 108, the management evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

The Group is engaged in the business of providing IT services. As the Group is engaged in only one business segment, the balance sheet as at 31 March 2021 and statement of profit and loss for the year ended then pertain to only one business segment. Accordingly, information has been presented only for geographic segments.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized. Information on reportable segments for the year ended March 31, 2021 given below:

Revenues as per geographies

Geography	USD in Thousand For the year ended March 31, 2021	March 31, 2020
Americas	196	910
Europe	11,704	11,749
Asia Pacific region	10,377	10,639
Rest of the world	1,636	3,833
Total	**23,912**	**27,131**

32. Disclosure for Ind AS 115 – Revenue from contracts with customers

Disaggregation of Revenue:

Revenue disaggregation by geography is disclosed in Note 31 above.

The Group has evaluated the impact of the COVID-19 pandemic, amongst other matters, resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts, (ii) termination or deferment of contracts by customers and (iii) customer disputes. The Group has concluded that the impact of the COVID-19 pandemic is not material based on these estimates.

33. Leases:

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019).

Group as a lessee:

Operating leases:

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at it's carrying amount as if the standard had been

applied since the commencement of the lease but discounted using the lessee's incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of USD 537 Thousand and a corresponding lease liability of USD 551 Thousand was recognized. The cumulative effect on transition in retained earnings net-off taxes is USD 14 Thousand The principle portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17-Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate 2% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The total cash outflow for leases is USD 451 Thousand for the year ended March 31, 2021, including cash outflow for short term and low value leases.

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on discounted and undiscounted basis:

			USD in Thousands
Particulars	**Not later than 1 year**	**1 - 5 years**	**Later than 5 years**
Minimum Lease Rental Payables	223	-	-
Present Value of Minimum Lease Payments	218	-	-

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on discounted and undiscounted basis:

			USD in Thousands
Particulars	**Not later than 1 year**	**1 - 5 years**	**Later than 5 years**
Minimum Lease Rental Payables	521	143	-
Present Value of Minimum Lease Payments	507	142	-

34. Earnings Per Share is calculated as follows:

		USD. in Thousands except earnings per share
Particulars	**For the year ended**	
	March 31, 2021	**March 31, 2020**
Net Loss attributable to shareholders after taxation	(1,446)	(5,830)
Equity Shares outstanding as at the end of the period (in nos.)	5,362,910	1,092,910
Weighted average number of equity shares outstanding	1,104,609	1,092,910
Nominal Value per Equity Share		
- Earnings Per Share (Basic)	(1.31)	(5.33)
- Earnings Per Share (Diluted)	(1.31)	(5.33)

For B S R & Co. LLP	**For Sofgen Holdings Limited**	
Chartered Accountants		
Firm Registration No. 101248W/W-100022		
Ashish Gupta	**Alexander L. Dembitz**	**Vivek Satish Agarwal**
Partner	Director	Director
Membership No.: 215165		
Place: Pune	Place: Switzerland	Place: Bengaluru
Date: July 8th, 2021	Date: July 8th, 2021	Date: July 8th, 2021

TECH MAHINDRA FOUNDATION

Board of Directors

Mr. Keshub Mahindra
Mr. Anand G. Mahindra
Mr. Vineet Nayyar
Mr. C.P. Gurnani
Mr. Ulhas N. Yargop
Ms. M. Rajyalakshmi Rao

Auditors:

B. K. Khare & Company
Chartered Accountants

Bankers:

IDBI Bank
Canara Bank
ICICI Bank
Kotak Mahindra Bank Limited
State Bank of India

Registered Office:

Oberoi Gardens Estate, Chandivali,
Off Saki Vihar Road,
Andheri (E),
Mumbai - 400 072, India

BOARD'S REPORT

Your Directors present their Sixteenth Annual Report of your Company for the year ended 31st March 2021.

FINANCIAL SUMMARY

For the year Ended March 31	2021	2020
	₹ in Lacs	₹ in Lacs
Donations received	**5,795.11**	6,888.46
Interest received on investments	**924.72**	938.52
Expenditure on the objects of the Company	**6,260.87**	7,089.03
Corpus fund	**13,897.16**	12,667.90

REVIEW OF ACTIVITIES

The Foundation was set up in 2006, as a Section 25 Company (referred to as a Section 8 Company in the Companies Act, 2013). Since then, it has worked tirelessly towards the overarching vision of "Empowerment through Education", establishing itself as a prominent CSR player within the Mahindra Group as well as a leading social organization at the national level. The Foundation essentially works with children, youth and teachers from disadvantaged urban communities in India, with a special focus on women and persons with disabilities. During the year under review, Tech Mahindra Foundation has successfully implemented 150 high-impact projects with more than 90 partners, directly benefitting 31,767 individuals. In addition, the Foundation reached out to over 1.5 million people across the country through its Covid Relief efforts.

EDUCATION

The key initiatives in the area of School Education include:

ALL ROUND IMPROVEMENT IN SCHOOL EDUCATION (ARISE)

Tech Mahindra Foundation's educational initiatives under ARISE are long-term school improvement programmes, in partnership with local governments and partner organisations. The Foundation in 2020-21 worked with 30 government schools to turn them around into model schools of excellence. Around 6,400 students were covered under this programme.

During the year, the Foundation expanded its work for children with disabilities through its ARISE+ programme. This programme is a variant of ARISE in which children with disabilities are provided chronic therapy as well as special education to help them lead more fulfilling lives. Through 25 projects, the programme enabled 2,776 differently-abled students to become more independent in managing themselves and better learners. As the interventions shifted to an online mode, 430 students were provided digital tablets to ensure continuity of learning.

SHIKSHAANTAR

Shikshaantar, envisioned as a programme for enhancing capacity of government school teachers, has emerged as an important programme in the education portfolio of the Foundation. TMF works with the Municipal Corporations in East Delhi and North Delhi by running their In-Service Teacher Education Institutes, and during the year under review, as many as 6,378 teachers were trained as part of this initiative. This included specially designed modules for Digital Literacy, Cyber Security and Mental Health that were delivered to the teachers through online sessions.

MOBILE SCIENCE LAB

In order to increase the footprint of its work in Education and reach the unreached, TMF had launched a unique initiative in 2019-20: The Mobile Science Lab. For this, a Mahindra bus has been remodelled to be a science lab on wheels and has been going from school to school in East Delhi to provide STEM learning for children in grades 3 and 4 in these schools. Though the program could not be implemented because of Covid, a second Mobile Science Lab was commissioned through funding received from the National Scheduled Caste Finance & Development Corporation.

EMPLOYABILITY

Skills-for-Market Training (SMART) is the Foundation's flagship programme in employability. It is built on the vision of an educated, enabled and empowered India, and the belief that educated and skilled youth are the country's true strength. The programme started with 3 Centres in 2012 and is currently running over 100 Centres at 11 locations across India. These include SMART Centres, SMART+ Centres (training for people with disabilities), and SMART-T Centres (training in technical trades).

In 2020-21, your Company trained 14,394 young women and men under its SMART program, of which,1,687 were persons with disabilities. More than 70% of the graduates are placed in jobs upon successful completion of the training, across multiple industries. A significant achievement for the year that the average salaries earned by the students increased by over ₹ 500 per month, despite the severe impact of the pandemic.

The Foundation's commitment to setting new benchmarks in skill development in India has been underscored by the setting up of Tech Mahindra SMART Academies, which provide the highest quality of skill training to youngsters in Healthcare and Digital Technologies. During FY 20-21, 1,317 students were enrolled to the four Healthcare Academies in Delhi, Mohali, Mumbai, and Pune, the last of which started functioning only in March 2021. In addition, at the SMART Academies for Digital Technologies in Vizag, Hyderabad and Mohali, another 710 students were enrolled.

TMF's work in Covid Relief

As soon as the pandemic broke out at the beginning of the Financial Year, the TMF team shifted its emphasis towards carrying out relief activities for those who were the hardest hit – daily wagers, migrant workers, farmers, persons with disabilities and the transgender community. Through a structured and efficient intervention, the Foundation distributed nearly 6 lakhs ration kits, 3.20 lakhs cooked meals, PPE kits, masks, and medical equipment to hospitals. In all, relief efforts worth ₹ 14.82 crores were carried out over the year and is continuing into the current financial year as well. Till date, over 20 lakhs people have benefitted through these efforts.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which will affect the Company.

SIGNIFICANT AND MATERIAL ORDERS / PROCEEDINGS

There are no orders passed by the regulators or courts or tribunals which would impact the going concern status and Company's operations in future.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial institutions.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

AUDITORS

The members, in the 12th Annual General Meeting held on 1st August, 2017, appointed M/s B. K. Khare & Co, Chartered Accountants, [ICAI Registration No.105102W] as Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Sixth Annual General Meeting for the financial year 2021-22.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 which was notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no longer required.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the Financial Year 2020-21.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 5,00,000 comprising of 50,000 equity shares of Face Value of ₹ 10/- each.

ANNUAL RETURN

The annual return as on the financial year ended 31st March 2021 in Form MGT - 7 is available on the web-link https://techmahindrafoundation.org/reports/

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: No amount was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: No amount was earned or expended in foreign exchange during the year under review.

DIRECTORS

As per Article 16 of the Articles of Association of the Company, all Directors retire at the ensuing annual general meeting and are eligible for re-appointment.

NUMBER OF MEETINGS OF BORAD

During the year ended 31st March 2021, two Board Meetings were held on, 30th April, 2020 and 24th October, 2020. The Company being a Section 8 Company, intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or investment under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements.

The particulars of related party transactions in prescribed Form AOC - 2 is annexed herewith as **"Annexure 1"**.

RISK MANAGEMENT

The Company risk management is forming part of the risk management framework adopted by the Holding Company, wherein the elements of risks are overviewed for the organization as a whole including its subsidiaries.

WHISTLE BLOWER MECHANISM

Whistle Blower mechanism is forming part of the Holding Company's Code of Ethical Business Conduct Policy which is applicable to all its subsidiaries. The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman office.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company at group level has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank the promoters and all the stakeholders of the Company for their faith and patronage.

For and on behalf of the Board

Keshub Mahindra
Chairman
(DIN: 00004489)

Place: Mumbai
Date: 27th April, 2021

Annexure 1

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under fourth proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Salient Features of the transaction	Transactions value	Justification for transaction	Date(s) of approval by the Board	Amount paid as advances	Date of special resolution
NIL										

2 Details of material contracts or arrangement or transactions at arm's length basis:

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Transactions value	% to Consol revenue	Date(s) of approval by the Board, if any	Amount paid as advances
1	Tech Mahindra Limited	Holding Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	505,000,000	NA	Since these RPTs are in the ordinary course of business and are at the arms length basis, approval of the board is not applicable.	NA
2	Tech Mahindra Limited	Holding Company	Corpus Donation as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	80,000,000	NA		NA
3	Comviva Technologies Limited	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	14,110,681	NA		NA
4	Tech Mahindra Business Services Ltd.	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	21,607,044	NA		NA
5	Satyam Venture Engineering Services Pvt. Ltd.	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	6,730,000	NA		NA
6	Tech Mahindra Technologies INC (Indian Branch)	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	3,025,160	NA		NA
7	ZEN3 INFOSOLUTIONS PVT. LTD.	Fellow Subsidiary Company	CSR contribution as per Companies Act 2013 for the FY 20-21	April 20 - March 21	759,885	NA		NA
8	Mahindra Susten Private Limited	Group Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	6,800,000	NA		NA
9	Mahindra Integrated Business Solutions Private Limited	Group Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	6,850,000	NA		NA

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Transactions value	% to Consol revenue	Date(s) of approval by the Board, if any	Amount paid as advances
10	Mahindra Auto Steel Pvt Ltd	Group Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	680,000	NA		NA
11	Mahindra Steel Service Center Ltd	Group Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	265,000	NA		NA
12	BORN Commerce Private Limited	Fellow Subsidiary Company	CSR contribution as per Companies Act, 2013 for the FY 20-21	April 20 - March 21	3,678,200	NA		NA

For and on behalf of the Board

Keshub Mahindra
Chairman
(DIN: 00004489)

Place: Mumbai
Date: 27th April, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Tech Mahindra Foundation

Report on the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Tech Mahindra Foundation ("the Company") licensed and registered under Section 8 (erstwhile section 25) of Companies Act, 2013 (" the Act"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Income and Expenditure and the Statement of Changes in Equity for the year then ended, Cash Flow Statement, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2021, and its surplus/(deficit) and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

5. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   a. 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.

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

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

   d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

   e. 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.

10. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes 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 misstatements in the Financial Statements.

11. 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.

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

Report on Other Legal and Regulatory Requirements

13. As the Company is licensed and registered under Section 8 (erstwhile section 25) of the Act, the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (the "Order"), does not apply to it as stated under Clause 2(iii) of the said Order.

14. 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 purpose of our audit;

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

   c. The Balance Sheet, the Statement of Income and Expenditure Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

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.

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

   i. The Company does not have any pending litigations which would impact its financial statements.

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

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

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

R.D.Onkar
Partner
Membership Number: 045716
UDIN: 21045716AAAAHQ8677

Place: Pune
Date: April 27, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TECH MAHINDRA FOUNDATION

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

1. We have audited the internal financial controls over financial reporting of Tech Mahindra Foundation ("the Company") licensed and registered under Section 8 (erstwhile section 25) of Companies Act, 2013, as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management 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 ("the 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 Act.

Auditors' Responsibility

3. 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 Act, 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 ICAI. 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.

4. 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.

5. 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. 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.

6. 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

7. 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:

   a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   b. 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

   c. 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

8. 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.

Opinion

9. Considering guidance given by ICAI in its Guidance Note on the essential Components of Internal Control over Financial Reporting, the framework of internal controls is commensurate with the nature and size of its operations.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

R.D.Onkar
Partner
Membership Number: 045716
UDIN: 21045716AAAAHQ8677

Place: Pune
Date: April 27, 2021

BALANCE SHEET AS AT 31 MARCH, 2021

Amount in Rupees

	Note No.	**As at March 31, 2021**	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	5	**41,889,723**	57,448,665
(ii) Intangible Assets	6	**4,553,890**	7,840,542
(b) Financial Assets			
(i) Investments	7	**750,848,851**	548,400,050
(ii) Other Financial Assets	8	**12,920,700**	307,537,000
(c) Advance Income Taxes		**15,867,321**	18,950,310
Total Non - Current Assets		**826,080,485**	940,176,567
Current Assets			
(a) Financial Assets			
(i) Investments	9	**408,800,000**	227,641,001
(ii) Cash and Cash Equivalents	10	**101,404,311**	56,494,866
(iii) Other Financial Assets	11	**61,911,098**	46,495,409
(iv) Balance with Government Authorities		**9,747,655**	7,121,166
Total Current Assets		**581,863,064**	337,752,442
Total Assets		**1,407,943,549**	1,277,929,009
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	**500,000**	500,000
(b) Corpus Fund and Other Equity	13	**1,389,715,856**	1,266,790,437
Total Equity		**1,390,215,856**	1,267,290,437
Liabilities			
Non-current liabilities			
Provisions	14	**5,223,255**	1,678,510
Total Non - Current Liabilities		**5,223,255**	1,678,510
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(1) Dues of micro enterprises and small enterprises		**-**	-
(2) Dues of creditors other than micro enterprises and small enterprises		**8,160,041**	5,409,215
(ii) Other Financial Liabilities	15	**290,424**	15,005
(b) Other Current Liabilities	16	**3,383,378**	3,303,079
(c) Provisions	17	**670,595**	232,763
Total Current Liabilities		**12,504,438**	8,960,062
Total Equity and Liabilities		**1,407,943,549**	1,277,929,009

See accompanying notes forming part of the financial statements
As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No: 045716
Place: Pune
Date: April 27, 2021

For Tech Mahindra Foundation

Keshub Mahindra
Director

Anand Mahindra
Director

Vineet Nayyar
Director

Ulhas Yargop
Director

M. Rajyalakshmi Rao
Director

C. P. Gurnani
Director

Place: Mumbai,
Date: April 27, 2021

STATEMENT OF INCOME AND EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2021

Amount in Rupees

		Note No.	For the period ended March 31, 2021	March 31, 2020
	Income			
I	Donations Received		**579,511,470**	688,846,086
II	Other Income	18	**109,612,283**	120,211,868
III	**Total Income (I +II)**		**689,123,753**	809,057,954
IV	Expenditure			
	Welfare Project Expenses		**477,382,239**	518,469,513
	CSR Expenditure		**732,122**	-
	Employee Benefit Expenses	19	**93,385,622**	64,120,351
	Depreciation and Amortisation Expense		**26,517,862**	21,880,016
	Other Expenses	20	**48,180,493**	90,669,571
	Total Expenditure		**646,198,340**	695,139,454
V	**Surplus / (Deficit)**		**42,925,419**	113,918,500

See accompanying notes forming part of the financial statements

As per our attached report of even date

For B K Khare & Co.

Chartered Accountants

R.D. Onkar
Partner
M No: 045716
Place: Pune
Date: April 27, 2021

For Tech Mahindra Foundation

Keshub Mahindra
Director

Anand Mahindra
Director

Vineet Nayyar
Director

Ulhas Yargop
Director

M. Rajyalakshmi Rao
Director

C. P. Gurnani
Director

Place: Mumbai,
Date: April 27, 2021

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH, 2021

Amount in Rupees

		For the period ended	
		March 31, 2021	March 31, 2020
A	**Cash Flow from Operating Activities**		
	Surplus / (Deficit)	**42,925,419**	113,918,500
	Adjustments for :		
	Depreciation and Amortization Expense	**26,728,458**	21,880,016
	Interest Income	**(92,472,963)**	(93,852,018)
		(22,819,086)	41,946,498
	Changes in working capital :		
	Trade Receivables and Other Assets	**(876,834)**	(7,411,055)
	Trade Payables, Other Liabilities and Provisions	**7,089,121**	41,039
		6,212,287	(7,370,016)
	Cash generated from operating activities before taxes	**(16,606,799)**	34,576,482
	Income taxes paid, net	**-**	-
	Net cash generated from operating activities (A)	**34,576,482**	(67,382,764)
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment, Intangible Assets and Investment property	**(7,882,865)**	(35,643,175)
	Purchase of Treasury Bonds and Bills and Term Deposit (Net)	**(87,107,800)**	(63,641,001)
	Fixed Deposit / Margin Money Placed (Net)	**-**	-
	Interest income received	**76,506,909**	93,770,309
	Net cash (used in) investing activities (B)	**(18,483,756)**	(5,513,867)
C	**Cash Flow from Financing Activities**		
	Transfer to Corpus	**80,000,000**	-
	Net cash (used in) financing activities (C)	**80,000,000**	-
	Net increase / (decrease) in cash and cash equivalents during the period (D) = (A+B+C)	**44,909,445**	29,062,615
	Cash and Cash Equivalents at the beginning of the year (F)	**56,494,866**	27,432,251
	Cash and cash equivalents at the end of the year	**101,404,311**	56,494,866
	Net increase / (decrease) in cash and cash equivalents	**44,909,445**	29,062,615

As per our attached report of even date

For B K Khare & Co.		**For Tech Mahindra Foundation**	
Chartered Accountants	**Keshub Mahindra**	**Anand Mahindra**	**Vineet Nayyar**
	Director	Director	Director
R.D. Onkar	**Ulhas Yargop**	**M. Rajyalakshmi Rao**	**C. P. Gurnani**
Partner	Director	Director	Director
M No: 045716			
Place: Pune	Place: Mumbai,		
Date: April 27, 2021	Date: April 27, 2021		

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH, 2021

A. Equity Share Capital

Amount in Rupees

Balance as of April 1, 2019	Changes in equity share capital during the period	Balance as at March 31, 2020
500,000	-	500,000
Balance as of April 1, 2020	**Changes in equity share capital during the period**	**Balance as at March 31, 2021**
500,000	-	500,000

B. Other Equity

Amount in Rupees

Particulars	Retained Earnings	Total
Balance as at 1 April 2019	**1,152,871,937**	1,152,871,937
Surplus for the period	**113,918,500**	113,918,500
Total Income	**113,918,500**	113,918,500
Corpus Donations received	**-**	-
Balance as at March 31, 2020	**1,266,790,437**	1,266,790,437

Amount in Rupees

Particulars	Retained Earnings	Total
Balance as at April 1, 2020	**1,266,790,437**	1,266,790,437
Surplus for the period	**42,925,419**	42,925,419
Total income	**42,925,419**	42,925,419
Corpus Donations received	**80,000,000**	80,000,000
Balance as at March 31, 2021	**1,389,715,856**	1,389,715,856

As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No: 045716
Place: Pune
Date: April 27, 2021

For Tech Mahindra Foundation

Keshub Mahindra
Director

Anand Mahindra
Director

Vineet Nayyar
Director

Ulhas Yargop
Director

M. Rajyalakshmi Rao
Director

C. P. Gurnani
Director

Place: Mumbai,
Date: April 27, 2021

NOTES FORMING PART OF THE BALANCE SHEET AND INCOME EXPENDITURE ACCOUNT

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

1. Company Overview:

Tech Mahindra Foundation (“the Company”), a company registered under section 25 of the Companies Act, 1956 (now governed by section 8 of the Companies Act, 2013) was incorporated on March 20, 2006, and granted registration under section 12A of the Income Tax Act, 1961, with effect from March 21, 2006

The primary objects of the company are:

i. To provide needy children and/or students with fees, books, equipment, merit based freeships and/or scholarships , food, shelter, training and other help; assist mentally challenged, crippled and physically handicapped children in their rehabilitation through appropriate therapy, education, vocational training and other programmes; render assistance to orphaned, indigent and other less privileged children for their subsistence, shelter, education and medical care.

ii. To render assistance to indigent men, women and children for treatment, medical care, health care, preventive medical services which they otherwise cannot afford; to setup and/or operate or to help in setting up and/or operating, hospitals / nursing homes, shelters for the needy; to develop or adopt village(s) or other centre(s) for general progress and welfare; to render assistance for appropriate literacy, and vocational training programs for needy persons, provide assistance and social service at the times of natural calamities like famine, fire, earthquake; to render assistance to handicapped, destitute and needy persons.

iii. To conduct education in public health care, sanitation, cleanliness; and to work or provide assistance for such causes; to work for the health, welfare and upliftment of men, women and children in general without any distinction as to community, background, caste, race, language or religion.

2. Significant accounting policies:

(a) Basis for preparation of accounts:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles (“GAAP”) in India under historical cost convention and on accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act 2013, read with rule 7 of the Companies (accounts) Rules, 2014, and the provisions of the Act (to the extent notified).

All assets and liabilities have been classified as current and non-current as per Company’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

(b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities if any) and the reported income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to the estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialized.

(c) Revenue recognition:

i. Donations received with specific direction from the donors that they shall form part of the corpus have been accounted for accordingly.

ii. Interest income is recognized on time proportion basis.

iii. Other items of income are accounted for as per the terms of the contract.

(d) Fixed Assets including intangible assets:

Fixed assets are stated at cost less accumulated depreciation. Costs comprise of purchase price and attributable costs, if any.

(e) Depreciation / amortization of fixed assets:

(i) Depreciation on fixed assets is charged based on straight line method as per the life of the assets as assessed based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Estimate of useful life so made is more conservative than estimated useful life as prescribed in schedule II to the Companies Act, 2013.

Computers and Project specific software	3 years
Plant and Machinery	5 years
Furniture and Fixtures	5 years
Office Equipment	5 years
Vehicles	5 years
Leasehold improvements	Amortized over the lease period

(ii) Assets costing up to ₹ 5,000 are fully depreciated in the year of purchase.

(f) Investments:

Long term investments (including current portion thereof) are carried at cost less any other than temporary diminution in the value, determined separately for each investment

Current investments are carried at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Income and Expenditure.

(g) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits, if any with original maturity of three months or less.

(h) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. 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 policy for the same is s below.

a. Defined benefit plans:

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in income and expenditure account in the period in which they occur. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee’s last drawn salary and the tenure of the employment.

The company has during the year reworked he gratuity payable at the time of retirement, death, incapacitation, termination based on actuarial valuation taking into account the past service period in which the employees rendered their services to the company.

b. Defined contribution plans:

(i) Provident fund:

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary (currently at 12% of the basic salary) which are charged to the statement of profit and loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

(ii) Superannuation and ESIC:

Contributions to Superannuation fund and employees’ state insurance scheme (ESI), which are defined contribution schemes, are charged to the statement of profit and loss on an accrual basis.

The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

(iii) Compensated absences:

The Company provides for compensated absences subject to Company’s rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is accrued based on the number of days of unavailed leave at each Balance Sheet date . It is measured at the balance sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

Actuarial gains and losses are recognized in full in the statement of profit and loss in the period in which they occur.

(i) Details of dues to micro and small enterprises as defined under The Micro. Small and Medium Enterprises Development (MSMED) Act 2006:

Based on the information available with the Company, there are no outstanding amounts payable to creditors who have been identified as “suppliers ” within the meaning of “Micro, Small and Medium Enterprises Development (MSMED) Act, 2006”.

3. Previous year figures have been regrouped wherever necessary.

As per our attached report of even date

For B K Khare & Co.		**For Tech Mahindra Foundation**	
Chartered Accountants	**Keshub Mahindra**	**Anand Mahindra**	**Vineet Nayyar**
	Director	Director	Director
R.D. Onkar	**Ulhas Yargop**	**M. Rajyalakshmi Rao**	**C. P. Gurnani**
Partner	Director	Director	Director
M No: 045716			
Place: Pune	Place: Mumbai,		
Date: April 27, 2021	Date: April 27, 2021		

Note 4 : Intangible Assets

Amount in Rupees

Description of Assets	Software
I. Gross carrying value	
As at April 1, 2019	7,654,766
Additions during the year	5,990,437
Disposals	-
As at March 31, 2020	13,645,203
Additions during the year 2021	737,997
Disposals	-
Balance as at March 31, 2021	**14,383,200**
II. Accumulated amortisation	
Balance as at April 1, 2019	**2,832,753**
Amortisation expense for the year	2,971,908
Disposals	-
Balance as at March 31, 2020	5,804,661
Amortisation for the year	4,024,649
Disposals	-
Balance as at March 31, 2021	**9,829,310**
Net Block as at March 31, 2021 (I - II)	**4,553,890**
Net Block as at March 31, 2020 (I - II)	**7,840,542**

Note 5 : Tangible Assets

Amount in Rupees

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	Cost as at April 01, 2020	**Additions**	**Deletions**	**Balance as at March 31, 2021**	**As at April 01, 2020**	**Depreciation for the period**	**On Deletions**	**Upto March 31, 2021**	**As at March 31, 2021**
Computers	40,417,185	940,060	-	41,357,245	17,886,556	10,812,627	-	28,699,183	12,658,062
	21,274,162	*19,143,023*	-	*40,417,185*	*9,266,698*	*8,619,858*	-	*17,886,556*	*22,530,629*
Plant and Equipment	38,091,756	3,161,326	-	41,253,082	13,675,910	7,868,605	-	21,544,515	19,708,567
	30,538,866	*7,552,890*	-	*38,091,756*	*6,872,149*	*6,803,761*	-	*13,675,910*	*24,415,846*
Furniture and Fixtures	14,740,021	1,567,354	-	16,307,375	6,724,898	2,962,893	-	9,687,791	6,619,584
	12,213,696	*2,526,325*	-	*14,740,021*	*4,089,495*	*2,635,403*	-	*6,724,898*	*8,015,123*
Vehicles	4,147,184	1,476,128	-	5,623,312	2,069,092	1,038,160	-	3,107,252	2,516,060
	4,147,184	-	-	*4,147,184*	*1,241,530*	*827,562*	-	*2,069,092*	*2,078,092*
Leasehold improvements	430,500	-	-	430,500	21,525	21,525		43,050	387,450
	-	430,500	-	430,500	-	21,525		21,525	408,975
Total	**97,826,646**	**7,144,868**	**-**	**104,971,514**	**40,377,981**	**22,703,809**	**-**	**63,081,791**	**41,889,723**
	68,173,908	*29,652,738*	-	*97,396,146*	*21,469,872*	*18,886,584*	-	*40,356,456*	*57,448,665*

Numbers in Italics pertain to the previous year.

Note 6 : Intangible Assets

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	Cost as at April 01, 2020	**Additions**	**Deletions**	**Balance as at March 31, 2021**	**As at April 01, 2020**	**Depreciation for the period**	**On Deletions**	**Upto March 31, 2021**	**As at March 31, 2021**
Softwares	13,645,203	737,997		14,383,200	5,804,661	4,024,649		9,829,310	4,553,890
	7,654,766	*5,990,437*		*13,645,203*	*2,832,753*	*2,971,908*	-	*5,804,661*	*7,840,542*
Total	**13,645,203**	**737,997**	**-**	**14,383,200**	**5,804,661**	**4,024,649**	**-**	**9,829,310**	**4,553,890**
	7,654,766	5,990,437	-	13,645,203	2,832,753	2,971,908	-	5,804,661	7,840,542

Note 7 : Investments : Non Current

Particulars	Amount in Rupees **As at** **March 31, 2021**	 March 31, 2020
In Bonds,unquoted		
Bonds issued by Banks	**750,848,851**	548,400,050
Total	**750,848,851**	548,400,050

Note 8 : Other Financial Assets : Non Current

Particulars	Amount in Rupees **As at** **March 31, 2021**	 March 31, 2020
Security Deposits		
- Unsecured, considered good	**3,420,700**	1,537,000
	3,420,700	1,537,000
Term Deposits with Financial Institutions having maturities of more than 12 months	**9,500,000**	306,000,000
Total	**12,920,700**	307,537,000

Note 9 : Investments : Current

Particulars	Amount in Rupees **As at** **March 31, 2021**	 March 31, 2020
- Investments		
Term Deposits with Financial Institutions (carried at amortised cost)	**408,800,000**	227,641,001
Total	**408,800,000**	227,641,001

Note 10 : Cash and Cash Equivalents

Particulars	Amount in Rupees **As at** **March 31, 2021**	 March 31, 2020
Balances with banks:		
In Saving Account	**101,404,311**	56,494,866
Total	**101,404,311**	56,494,866

Note 11 : Other Financial Assets : Current

Particulars	Amount in Rupees **As at** **March 31, 2021**	 March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Interest Receivable		
On bank deposits	**-**	-
On Term Deposits with Financial Institutions	**25,307,705**	16,243,400
On Treasury Bonds and Bills	**33,868,424**	26,966,675
	59,176,129	43,210,075
Others	**2,734,969**	3,285,334
Total	**61,911,098**	46,495,409

Note 12 : Equity Share Capital

Particulars	March 31, 2021		March 31, 2020	
	Number	**Rupees**	Number	Rupees
Authorised				
Equity shares of Rs 10/- each	**50,000**	**500,000**	50,000	500,000
Issued, Subscribed and Paid up	**50,000**	**500,000**	50,000	500,000
Adjusted : Issued, Subscribed and Paid up Share Capital	**50,000**	**500,000**	50,000	500,000
Reconciliation of number of Equity Shares and amount outstanding				
Shares outstanding at the beginning of the period	**50,000**	**500,000**	50,000	500,000
Total	**50,000**	**500,000**	50,000	500,000
Adjusted : Issued, Subscribed and Paid up Share Capital	**50,000**	**500,000**	50,000	500,000

Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:

	As at		As at	
Name of Shareholder	**March 31, 2021**		March 31, 2020	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Limited	**50,000**	**100**	50,000	100

The shares held by Tech Mahindra Limited represent the initial capital contributed by Tech Mahindra Limited as a Settlor of the Trust. Tech Mahindra Limited does not exercise any control over the company

Note 13 : Other Equity

Amount in Rupees

Particulars	**As at**	
	March 31, 2021	March 31, 2020
Corpus Fund		
Opening balance	**1,156,621,656**	1,156,621,656
Add:		
Corpus donations received during the year	**80,000,000**	-
Closing Balance	**1,236,621,656**	1,156,621,656
Retained Earnings		
Opening balance	**110,168,781**	(3,749,719)
Add :		
Surplus / (Deficit) for the year	**42,925,419**	113,918,500
Closing Balance	**153,094,200**	110,168,781
Total	**1,389,715,856**	1,266,790,437

Note 14 : Provisions : Non Current

Particulars	As at March 31, 2021	As at March 31, 2020
		Amount in Rupees
Provision for employee benefits		
- Gratuity	**2,254,096**	804,691
- Compensated absences	**1,179,755**	873,819
Other Provisions		
- Capital Asset Grant Fund	**1,789,403**	-
	-	-
Total	**5,223,254**	1,678,510

Note 15: Other Financial Liabilities : Current

Particulars	As at March 31, 2021	As at March 31, 2020
		Amount in Rupees
- Creditors for capital supplies/services		
- Accrued Salaries and Benefits	**290,424**	15,005
Total	**290,424**	15,005

Note 16 : Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
		Amount in Rupees
- Advances received from customers		
- Unearned Revenue		
- Statutory Dues	**2,571,638**	3,303,079
- Others (refer note below)		
Grant Fund	**811,740**	-
Total	**3,383,378**	3,303,079

Note 17 : Provisions : Current

Particulars	As at March 31, 2021	As at March 31, 2020
		Amount in Rupees
Provision for employee benefits		
- Gratuity	**333,817**	3,174
- Compensated absences	**336,778**	229,589
Total	**670,595**	232,763

Note 18 : Other Income

Amount in Rupees

Particulars	Period ended	
	March 31, 2021	March 31, 2020
Interest Income	**92,472,963**	93,852,018
Gain/(Loss) on sale of investments	**-**	-
Student Fees and Miscellaneous Income	**17,139,320**	26,359,850
Total	**109,612,283**	120,211,868

Note 19 : Employee Benefit Expenses

Amount in Rupees

Particulars	Period ended	
	March 31, 2021	March 31, 2020
Salaries and wages	**87,904,500**	61,036,146
Contribution to provident and other funds	**3,225,060**	2,116,366
Gratuity	**1,852,965**	17,565
Staff welfare expenses	**403,097**	950,274
Total	**93,385,622**	64,120,351

Note 20 : Other Expenses

Amount in Rupees

Particulars	Period ended	
	March 31, 2021	March 31, 2020
Power and Fuel	**1,054,033**	2,142,327
Rent	**9,099,681**	16,762,910
Communication Expenses	**1,393,712**	1,719,697
Travelling Expenses	**1,226,767**	4,573,462
Training	**1,084,053**	888,575
Legal and Other Professional Fees	**21,031,846**	46,392,545
Repair and Maintenance Expenses	**129,632**	365,776
Insurance Charges	**1,195,100**	478,713
Advertisement, Promotion & Selling Expenses	**2,531,203**	12,002,550
General Office Expenses	**9,280,830**	11,286,294
Miscellaneous Expenses	**153,636**	196,478
Total	**48,180,493**	96,809,327

MAHINDRA EDUCATIONAL INSTITUTIONS

Board of Directors
Vineet Nayyar
C. P. Gurnani
Rakesh Soni
Milind Kulkarni
Shivanand Raja

Auditors
M/s. M. Bhaskara Rao & Co.,
5-D, Fifth Floor, 'Kautilya'
6-3-652, Somajiguda
Hyderabad-500082

Bankers
HDFC Bank Limited
Kotak Mahindra Bank Limited

Registered Office:
Tech Mahindra Limited, Survey No: 62/1A,
Bahadurpally, Jeedimetla, Hyderabad-500043
Telangana, India

DIRECTORS' REPORT

Your Directors present their Eighth Annual Report of your Company for the year ended 31st March 2021.

FINANCIAL RESULTS

Particulars	For the year ended March 31, 2021 (₹ in Lakhs)	For the year ended March 31, 2020 (₹ in Lakhs)
Expenditure on the objects of the Company	**6,654.66**	7,086.50
Donations received for University fund, Building & Equipment fund and for operating expenses	**4,650.00**	3,140.00

REVIEW OF ACTIVITIES – 2020-21

Mahindra University ("MU") (sponsored by Mahindra Educational Institutions, ("MEI") – a not-for-profit, 100% subsidiary of Tech Mahindra), was notified on 20th May 2020 by the Government of Telangana vide The Telangana State Private Universities (Establishment and Regulation) Act, 2018. Official launch took place on 24th July 2020 in the august presence of Shri KT Rama Rao and Shri Anand Mahindra (the founding Chancellor).

Academic operations commenced at the Ecole Centrale School of Engineering – with 4-year UG courses in Computer Science Engineering, Mechanical Engineering, Electrical & Electronics Engineering, Civil Engineering, Artificial Intelligence, Electronics & Computer Engineering, and Computation & Mathematics. PhD programs in Engineering and Humanities were also offered. Due the Covid-19 pandemic, start of the academic session for Batch 2020 (with 643 UG students and 28 PhD students) got delayed to 5th October 2020.

Academic Year 2020-21 has largely remained in an online mode, with students remaining back at their homes. During the period 15th February till 23rd March 2021, limited number of students were allowed back on campus. Exams have been conducted in an offline plus online mode – ensuring that students don't get affected due to restrictions imposed by COVID-19 protocols.

The School of Management, School of Law and the Indira Mahindra School of Education will commence academic operations in August 2021, subject to regulatory approvals as appropriate. Our academic partner for the School of Management will be Cornell SC Johnson College of Business, USA – which will offer strategic support in (i) curriculum development, (ii) faculty in residence, (iii) student immersions, and (iv) e-Cornell courses. The School will offer 3-year UG programs in BA (Finance & Economics), BBA (Digital Technologies), and BBA (Computational Business Analytics).

The other 2 Schools will offer (i) 5-years integrated BA-LLB and BBA-LLB courses, and (ii) 4-years BSc-BEd program of study. It is estimated that the School of Media & Liberal Arts will start in 2022, followed by the School of Design in 2023. At full strength, Mahindra University will have 9500+ students supported by 600+ faculty drawn from some of the leading institutions across the globe.

In a short span, MU Faculty members have published a total of 300+ publications including 18 Book Chapters and 7 Patents. Besides this, faculty have been able to secure 31 externally-funded projects totaling ₹ 800 lakhs.

Adding to its state-of-the-art academic infrastructure, the Entrepreneurship & Innovation Cell, (EIC) named Mahindra e-HUB – Incubation Centre is operational on campus with an intent of providing opportunities to students to bring their ideas to fruition. It would host events, workshops, industrial visits and seminars, all aimed at providing a conducive environment for students to develop their entrepreneurial skills. The Incubation Centre, spread over 2000 sq. feet of area, and can accommodate 15 entrepreneurs, facilitates through the process of starting, shaping and scaling up new innovative ventures resulting from student-faculty research. In addition to providing creative working space, we help in mentoring, technology, business development, legal, IPR, funding, networking and GTM strategy.

Apart from Annual techno-cultural festivals like AETHER, ECOLE-TYOHAR, TEDX-Mahindra Ecole Centrale, Centrale Connect Conclave, etc., Zenith Science Club hosted a Science Open Day an interactive session on Chandrayaan-2, designed prototypes for exhibit and also devised a few hands-on activities and a quiz for the school students.

Batch 2020 students have received admits to prestigious overseas universities such as MIT, Stanford, Imperial College (UK), University of California at Berkeley, Columbia University, Georgia Tech, University of Texas at Austin, UI Urbana Champaign, and many others.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

There was no change in the nature of business.

SIGNIFICANT AND MATERIAL ORDERS / PROCEEDINGS

During the year under review, there were no material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial institutions.

FIXED DEPOSITS

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

M/s. M. Bhaskara Rao & Co., Chartered Accountants, (Firm Registration No. 000459S) were appointed as statutory auditors of the Company for a period of five years from the conclusion of the 4th Annual General Meeting held on 28th August, 2017 until the conclusion of the Annual General Meeting of the Company for the financial year 2021-22, on such remuneration as may be determined by the Board of Directors.

The members may note that the Ministry of Corporate Affairs vide notification dated 7 May, 2018, has done away with the requirement of yearly ratification of appointment of Statutory Auditors, at the Annual General Meeting.

There are no qualifications, reservations and adverse remarks reported in the Auditor's Report for the financial year 2020-21 to comment upon by your Directors.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 1,00,000/- comprising of 10,000 equity shares of Face Value ₹ 10/- each.

ANNUAL RETURN

The annual return as on the financial year ended 31st March 2021 in Form MGT - 7 is available on the web-link https://files.techmahindra.com/static/img/pdf/mgt7-annual-return-2020-21-MEI.pdf

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars prescribed as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: ₹ 22.93 Lakhs was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: i) Earnings: ₹ 4.75 lakhs, ii) Expenses: ₹ 251.14 lakhs.

DIRECTORS

Pursuant to the provisions of section 152(6)(c) of the Companies Act 2013, Mr. Milind Kulkarni (DIN: 00012888) is liable to retire by rotation and being eligible offer himself for reappointment.

NUMBER OF MEETINGS OF BORAD

During the year ended March 2021, three Board Meetings were held on 29th April, 2020, 17th July, 2020 and 15th October, 2020. The Company being a Section 8 Company, intervening gap between the meetings was as prescribed under the Companies Act, 2013.

LOANS/ GUARANTEES / INVESTMENTS

The Company has not given / accepted any loans or guarantees during the year under review.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions for the period under review were approved by the Board. Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC 2 is annexed to this report as **Annexure A.**

RISK MANAGEMENT

The Company risk management is forming part of the risk management framework adopted by the Holding Company, wherein the elements of risks are overviewed for the organization as a whole including its subsidiaries.

WHISTLE BLOWER MECHANISM

Whistle Blower mechanism is forming part of the Holding Company's Code of Ethical Business Conduct Policy which is applicable to all its subsidiaries. The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman office.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company at group level has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of the said policy. During the year under review the Company has not received any complaint of harassment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. They have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 and of the deficit of the Company for the year ended on that date;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The annual accounts have been prepared on a going concern basis.

v. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank the promoters and all the stakeholders of the Company for their faith and patronage.

For and on behalf of the Board

Vineet Nayyar
Chairman
(DIN: 00018243)

Place: Hyderabad

Date: 28th April, 2021

Annexure A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under fourth proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Salient Features of the transaction	Transactions value	Justification for transaction	Date(s) of approval by the Board	Amount paid as advances	Date of special resolution
NIL										

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Sr No.	Name(s) of the related party	Nature of relationship	Nature of Transaction	Duration of the transactions	Transactions value	% to Consol revenue	Date(s) of approval by the Board, if any	Amount paid as advances
1	Tech Mahindra Limited	Holding Company	Donations Received	April 20 - March 21	700.00	NA	Since these RPTs are in the ordinary course of business and are at the arms length basis, approval of the board is not applicable.	NA
			Building and Equipment Fund		3,950.00			
			Interest expense		782.00			
			Professional Fees		11.09			

For and on behalf of the Board

Vineet Nayyar
Chairman
(DIN: 00018243)

Place: Hyderabad

Date: 28th April, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of
Mahindra Educational Institutions

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Mahindra Educational Institutions ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Income and Expenditure, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, deficit, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India 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 issued thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors' report, but does not include the standalone financial statements and our 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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.

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

Report on Other Legal and Regulatory Requirements

This report does not include a statement on matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the Company.

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 purpose of our audit;
    b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. the Balance Sheet, the Statement of Income and Expenditure, the Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with the rules issued thereunder;
    e. on the basis of the written representations received from the directors as on 31 March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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'; and

g. with respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. there are no pending litigations on or by the Company, the impact of which needs to be disclosed in the standalone financial statements;

   ii. the Company does not have any material foreseeable losses relating to long term contracts, there were no derivative contracts entered into by the Company as at 31 March 2021; and

   iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31 March 2021.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439
UDIN : 21206439AAAABN6043

Hyderabad, 28 April 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Mahindra Educational Institutions ("the Company") as of 31 March 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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.

Opinion

In our opinion, 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 31 March 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 ICAI.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No.000459S

M V Ramana Murthy
Partner
Membership No. 206439
UDIN: 21206439AAAABN6043

Hyderabad, 28 April 2021

BALANCE SHEET AS AT 31 MARCH 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	**3,160.11**	2,875.74
Right-of-use assets	4	**4,566.12**	10,942.84
Capital work-in-progress	5	**7,894.16**	5,513.22
Other intangible assets	6	**5.78**	4.57
Financial assets			
Other financial assets	7	**4,385.75**	4,020.27
Non-Current tax asset (net)	8	**112.27**	110.58
Other non current assets	9	**117.06**	216.74
Total non-current assets		**20,241.25**	23,683.97
Current assets			
Financial assets			
Trade receivables	10	**556.40**	131.38
Cash and cash equivalents	11	**441.85**	474.67
Other financial assets	7	**21.16**	19.83
Other current assets	9	**100.97**	236.66
Total current assets		**1,120.38**	862.54
Total assets		**21,361.63**	24,546.51
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**1.00**	1.00
Other equity	13	**11,471.42**	9,524.56
Total Equity		**11,472.42**	9,525.56
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	14	**5,739.05**	9,741.57
Other financial liabilities	15	**86.01**	122.84
Provisions	16	**122.25**	197.50
Total non-current liabilities		**5,947.31**	10,061.91
Current liabilities			
Financial liabilities			
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		**-**	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	**671.16**	487.40
Lease liabilities	14	**687.06**	2,547.40
Other financial liabilities	15	**64.48**	56.31
Other current liabilities	18	**2,492.28**	1,837.72
Provisions	16	**26.92**	30.21
Total current liabilities		**3,941.90**	4,959.04
Total equity and liabilities		**21,361.63**	24,546.51

See accompanying notes to the financial statements

In terms of our report attached	for and on behalf of the Board of Directors of		
for M. Bhaskara Rao & Co.,	**Mahindra Educational Institutions**		
Chartered Accountants	**CIN: U80300TG2013NPL086878**		
M.V. Ramana Murthy	**Vineet Nayyar**	**C.P. Gurnani**	**Milind Kulkarni**
Partner	Director	Director	Director
Hyderabad, 28 April 2021	DIN:00018243	DIN:00018234	DIN:00012888

STATEMENT OF INCOME AND EXPENDITURE FOR

the year ended 31 March 2021

All amounts are Rupees in lakhs unless otherwise stated

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Fee from Academic Courses	19	**3,509.53**	5,207.68
Donations		**700.00**	640.00
Other Income	20	**309.42**	394.52
Total		**4,518.94**	6,242.20
Expenses			
Academic Expenses	21	**1,238.79**	629.69
Employee Benefits Expense	22	**1,704.75**	2,141.08
Finance Cost	23	**791.50**	720.24
Depreciation and Amortization Expense	24	**1,228.95**	1,268.84
Other expenses	25	**1,690.66**	2,326.65
Total		**6,654.66**	7,086.50
Surplus Before Tax		**(2,135.72)**	(844.30)
Tax Expense			
Current Tax		**-**	-
Deferred Tax		**-**	-
Surplus / (Deficit) for the year		**(2,135.72)**	(844.30)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		**132.58**	(52.78)
Income tax on items that will not be reclassified to profit or loss		**-**	-
		132.58	(52.78)
B. Items that may be reclassified to profit or loss		**-**	-
Total other comprehensive income / (loss) for the year		**132.58**	(52.78)
Total comprehensive income / (loss) for the year		**(2,003.14)**	(897.08)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(2,003.14)**	(897.08)
Non controlling interests		**-**	-
Earnings per equity share	30		
Basic - (In ₹ per share)		**(21,357.17)**	(8,443.00)
Diluted - (In ₹ per share)		**(21,357.17)**	(8,443.00)

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.,
Chartered Accountants

for and on behalf of the Board of Directors of
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

M.V. Ramana Murthy
Partner
Hyderabad, 28 April 2021

Vineet Nayyar
Director
DIN:00018243

C.P. Gurnani
Director
DIN:00018234

Milind Kulkarni
Director
DIN:00012888

STATEMENT OF CASH FLOWS FOR

the year ended 31 March 2021

All amounts are Rupees in lakhs unless otherwise stated

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flow from operating activities**		
	Surplus before tax	**(2,135.72)**	(844.30)
	Adjustments for		
	Depreciation and Amortization Expense		
	On Tangible assets	**557.83**	625.19
	On Right-of-use assets	**658.72**	637.33
	On Intangible assets	**12.39**	6.32
	Provision for doubtful debts	**10.75**	-
	Interest Cost	**782.00**	708.80
	Interest Income	**(294.66)**	(347.11)
	Operating profit before working capital changes	**(408.69)**	786.23
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Other Non-Current Financial Assets	**(0.00)**	(5.96)
	Other Non-Current Assets	**99.68**	61.93
	Trade receivables	**(435.77)**	(36.24)
	Other Current Assets	**135.69**	(142.06)
	Adjustments for increase / (decrease) in operating liabilities:		
	Other Non-Current Financial Liability	**(36.83)**	4.07
	Long Term Provisions	**57.33**	46.41
	Trade Payables	**183.76**	(731.49)
	Other Current Financial Liability	**8.17**	8.03
	Other Current Liabilities	**654.56**	241.30
	Short Term Provisions	**(3.29)**	13.34
	Cash generated from operations	**254.62**	245.56
	Income Tax paid (Net)	**(1.69)**	(39.74)
	Net cash flow from operating activities (A)	**252.93**	205.82
B.	**Cash flow from investing activities**		
	Capital Expenditure on Fixed Assets & Intangible Assets	**(3,236.73)**	(3,108.67)
	Investments in Bank Deposits	**(2,075.49)**	(12,300.00)
	Redemption or Maturity of Bank Deposits	**1,710.00**	12,312.00
	Interest Received	**293.33**	568.18
	Net cash flow used in investing activities (B)	**(3,308.89)**	(2,528.49)
C.	**Cash flow from financing activities**		
	Amounts received towards Building and Equipment Fund	**3,950.00**	-
	Amounts received towards University Corpus Fund	**-**	2,500.00
	Payment of Lease liability	**(926.86)**	-
	Net cash flow from financing activities (C)	**3,023.14**	2,500.00
	Net increase / (decrease) in cash and cash equivalents	**(32.82)**	177.33
	Cash and cash equivalents at the beginning of the year	**474.67**	297.34
	Cash and cash equivalents at the end of the year	**441.85**	474.67

See accompanying notes to the financial statements

In terms of our report attached	for and on behalf of the Board of Directors of		
for M. Bhaskara Rao & Co.,	**Mahindra Educational Institutions**		
Chartered Accountants	**CIN: U80300TG2013NPL086878**		
M.V. Ramana Murthy	**Vineet Nayyar**	**C.P. Gurnani**	**Milind Kulkarni**
Partner	Director	Director	Director
Hyderabad, 28 April 2021	DIN:00018243	DIN:00018234	DIN:00012888

STATEMENT OF CHANGES IN EQUITY FOR

the year ended 31 March 2021

All amounts are Rupees in lakhs unless otherwise stated

		Amount
A.	**Equity Share Capital**	
	Issued and paid up equity share capital	
	Balance as at 31 March 2019	1.00
	Changes in equity share capital during the year	-
	Balance as at 31 March 2020	1.00
	Changes in equity share capital during the year	-
	Balance as at 31 March 2021	1.00

B. Other Equity

Particulars	Reserves & Surplus				Items of Other Comprehensive Income (OCI)	Total
	Corpus Fund	University Corpus Fund	Building and Equipment Fund	Retained Earnings	Remeasurements of net defined benefit plans	
Surplus for the year	-	-	-	(1,013.43)	-	(1,013.43)
Other Comprehensive Income (net of income tax)	-	-	-	-	(5.59)	(5.59)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,013.43)**	**(5.59)**	**(1,019.02)**
Contributions received during the year	-	-	1,575.00	-	-	1,575.00
Balance as at 31 March 2019	**1,166.00**	**1,500.00**	**8,185.00**	**(2,936.47)**	**7.11**	**7,921.63**
Surplus for the year	-	-	-	(844.30)	-	(844.30)
Other Comprehensive Income (net of income tax)	-	-	-	-	(52.78)	(52.78)
Total comprehensive income for the year	**-**	**-**	**-**	**(844.30)**	**(52.78)**	**(897.08)**
Contributions received during the year	-	2,500.00	-	-	-	2,500.00
Balance as at 31 March 2020	**1,166.00**	**4,000.00**	**8,185.00**	**(3,780.77)**	**(45.67)**	**9,524.55**
Surplus for the year	-	-	-	(2,135.72)	-	(2,135.72)
Other Comprehensive Income (net of income tax)	-	-	-	-	132.58	132.58
Total comprehensive income for the year	**-**	**-**	**-**	**(2,135.72)**	**132.58**	**(2,003.14)**
Contributions received during the year	-	-	3,950.00	-	-	3,950.00
Balance as at 31 March 2021	**1,166.00**	**4,000.00**	**12,135.00**	**(5,916.49)**	**86.90**	**11,471.42**

See accompanying notes to the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.,
Chartered Accountants

for and on behalf of the Board of Directors of
Mahindra Educational Institutions
CIN: U80300TG2013NPL086878

M.V. Ramana Murthy
Partner
Hyderabad, 28 April 2021

Vineet Nayyar
Director
DIN:00018243

C.P. Gurnani
Director
DIN:00018234

Milind Kulkarni
Director
DIN:00012888

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR

The year ended 31 March 2021

1. Corporate Information

Mahindra Educational Institutions (“the Company”) incorporated as a Not-for-Profit Company with main objects to establish institutions of higher learning such as setting up of universities, colleges, academics and research institutes, encouraging education and research work in different disciplines, to promote innovation and technology development, to collaborate and / or affiliate with other universities in India for the cause of promoting high quality higher education within India.

2. Significant accounting policies

2.1 Statement of Compliance

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised to issue on 28 April 2021.

2.2 Basis for preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of Estimates

The preparation of these standalone financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.4 Property, Plant & Equipment and Other Intangible assets

Property, Plant & Equipment and Other intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction / installation stage.

Depreciation / amortization of Property, Plant & Equipment and Other Intangible assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant & Equipment including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the technical estimates of the Management. The estimated useful lives and residual values of the tangible and intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis..

Particulars	Useful life
Buildings	28 Years
Computers	3 Years
Fumiture and fistures	5 Years
Library Books	3 Years

Particulars	Useful life
Pleant Machinery	5 Years
Softwer	1 Years
Vehicles	5 Years
Assets below ₹ 5000	Same Year

2.5 Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in consolidated statement of income.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as cash used in Financing activities.

2.6 Impairment of Assets

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through Statement of Income and Expenditure.

ii) Non-financial assets

Property, Plant & Equipment and Other Intangible assets

Property, Plant and Equipment and Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Income and Expenditure.

2.7 Revenue recognition

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services i.e. students are mainly on a time bound fixed price basis.

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

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as deferred revenues).

In arrangements for educational services with customers, the company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering educational services and other related services as distinct performance obligations. For allocating the transaction price, the company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For time and material related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The company accounts for discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount / incentive varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

2.8 Donations / Funds received

Donations received are accounted as contributions to corpus fund or treated as revenue based on the directions from the donor.

a) Corpus Fund

Donations received from donors with a direction for utilisation towards capital expenditure are treated as corpus fund.

b) Building and Equipment Fund

Donations received from donors with a direction for utilisation towards development of infrastructure facilities including buildings and equipment are treated as building and equipment fund.

c) University Fund

Donations received from donors with a direction for utilisation towards requirements of the Institution

2.9 Foreign currency transactions

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities of foreign operations are restated into the functional currency using exchange rates prevailing on the date of the Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the Statement of Income and Expenditure.

2.10 Foreign Operations

For the purpose of these financial statements, the assets and liabilities of the Company's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

2.11 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in Statement of Income and Expenditure.

i) Non-derivative financial instruments

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

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

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Income and Expenditure.

Financial liabilities

Financial liabilities at fair value through profit and loss are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Income and Expenditure.

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.

2.12 Employee Benefits

a) Gratuity

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method for the Company. Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur.

b) Provident fund

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Income and Expenditure on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

c) Compensated absences

The employees are entitled to accumulate leave subject to certain limits. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method for the Company. The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Other Comprehensive Income in the period in which they occur.

2.13 Taxation

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset 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.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

Tax on distributed profits payable in accordance with the provisions of the Income-Tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India (ICAI)

2.14 Earnings per Share

Basic earnings/ (loss) per share are calculated by dividing the net surplus / (deficit) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net surplus / (deficit) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.15 Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. 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.

Contingent Liabilities and Contingent Assets are not recognized in the financial statements.

2.16 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1inputs are not available, the Company engages third party qualified valuers to perform the valuation . Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Executive Officer reports to the board of fluctuations in the fair value of the assets and liabilities.

Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Provision for taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

3. Property, Plant and Equipment

	As at 31 March 2021	As at 31 March 2020
Buildings [Refer note 34]	**2,309.63**	1,945.92
Plant and Machinery [Refer note 34]	**293.63**	195.91
Computers	**121.65**	219.46
Office Equipment	**67.55**	86.60
Furniture and Fixtures	**182.77**	146.68
Library Books	**1.10**	2.39
Vehicles	**11.46**	15.50
Lab Equipments	**172.32**	263.29
	3,160.11	2,875.74

	Buildings	Plant and Machinery	Computers	Office Equipment	Furniture and Fixtures	Library Books	Vehicle	Lab Equipments	Total
3.1Cost or deemed Cost									
Balance as at 01 April 2019	2,460.60	360.43	690.90	211.17	383.90	175.83	20.22	1,035.19	5,338.24
Additions	27.54	27.29	201.91	20.23	4.23	2.61	-	61.23	345.04
Disposals/Adjustments	-	-	-	-	-	(8.74)	-	-	(8.74)
Balance as at 31 March 2020	**2,488.14**	**387.73**	**892.81**	**231.40**	**388.13**	**169.69**	**20.22**	**1,096.42**	**5,674.54**
Balance as at 01 April 2020	2,488.14	387.73	892.81	231.40	388.13	169.69	20.22	1,096.42	5,674.54
Additions	457.02	186.59	28.51	18.83	120.25	0.81	-	30.20	842.20
Disposals/Adjustments	-	-	-	-	-	(2.49)	-	-	(2.49)
Balance as at 31 March 2021	**2,945.16**	**574.32**	**921.32**	**250.23**	**508.38**	**168.01**	**20.22**	**1,126.62**	**6,514.25**
3.2 Accumulated depreciation									
Balance as at 01 April 2019	429.03	118.06	527.81	104.99	174.78	175.23	0.67	651.78	3,669.57
Additions	113.19	73.76	145.54	39.82	66.66	0.81	4.04	181.35	625.18
Disposals/Adjustments	-	-	-	-	-	(8.74)	-	-	(8.74)
Balance as at 31 March 2020	**542.22**	**191.82**	**673.34**	**144.81**	**241.45**	**167.30**	**4.72**	**833.13**	**4,286.01**
Balance as at 01 April 2020	542.22	191.82	673.34	144.81	241.45	167.30	4.72	833.13	4,286.01
Additions	93.31	88.86	126.32	37.88	84.17	2.09	4.04	121.16	557.83
Disposals/Adjustments	-	-	-	-	-	(2.49)	-	-	(2.49)
Balance as at 31 March 2021	**635.53**	**280.68**	**799.66**	**182.69**	**325.61**	**166.90**	**8.76**	**954.30**	**4,841.36**
3.3 Carrying Amount									
Additions	27.54	27.29	201.91	20.23	4.23	2.61	-	61.23	345.04
Disposals	-	-	-	-	-	8.74	-	-	8.74
Depreciation	(113.19)	(73.76)	(145.54)	(39.82)	(66.66)	(0.81)	(4.04)	(181.35)	(625.18)
Depreciation Adjustment	-	-	-	-	-	(8.74)	-	-	(8.74)
Balance as at 31 March 2020	**1,945.92**	**195.91**	**219.46**	**86.60**	**146.68**	**2.39**	**15.50**	**263.29**	**2,875.74**
Additions	457.02	186.59	28.51	18.83	120.25	0.81	-	30.20	842.20
Disposals	-	-	-	-	-	2.49	-	-	2.49
Depreciation	(93.31)	(88.86)	(126.32)	(37.88)	(84.17)	(2.09)	(4.04)	(121.16)	(557.83)
Depreciation Adjustment	-	-	-	-	-	(2.49)	-	-	(2.49)
Balance as at 31 March 2021	**2,309.63**	**293.63**	**121.65**	**67.55**	**182.77**	**1.10**	**11.46**	**172.32**	**3,160.11**

		As at 31 March 2021	As at 31 March 2020
4	**Right-of-use assets**		
4.1	**Land and Buildings**		
4.1.1	**Gross carrying value**		
	Opening Balance	11,580.17	11,580.17
	Additions	-	-
	Disposals/Adjustments	5,717.99	-
	Closing Balance	**5,862.18**	11,580.17
4.1.2	**Accumulated depreciation**		
	Opening Balance	(637.33)	-
	Depreciation	(658.72)	(637.33)
	Disposals/Adjustments	-	-
	Closing Balance	**(1,296.05)**	(637.33)
4.1.3	**Net Carrying Amount**	**4,566.12**	10,942.84
5	**Capital work-in-progress**		
	Capital work-in-progress	7,894.16	5,513.22
	Total	**7,894.16**	5,513.22
6	**Other intangible assets**		
6.1	**Software**		
6.1.1	**Cost or Deemed Cost**		
	Opening Balance	508.38	497.49
	Additions	13.59	10.89
	Disposals/Adjustments	-	-
	Closing Balance	**521.97**	508.38
6.1.2	**Accumulated depreciation**		
	Opening Balance	503.81	497.49
	Additions	12.39	6.32
	Disposals/Adjustments	-	-
	Closing Balance	**516.20**	503.81
6.1.3	**Carrying Amount**	**5.78**	4.57

		As at 31 March 2021	As at 31 March 2020
7	**Other financial assets**		
7.1	**Non-Current**		
	(unsecured, considered good)		
	Investments in term deposits with Scheduled Banks	4,365.48	4,000.00
	(with remaining maturity of more than twelve months)		
	[Refer note 35 in respect Rs.10 Crores for Corpus Fund, Rs.30 Crores as Fixed Deposit and Rs.1.50 Crores as Endowment Fund earmarked in terms of the LOI]		

		As at 31 March 2021	As at 31 March 2020
	Security Deposits	20.27	20.27
	Total	**4,385.75**	4,020.27
7.2	**Current**		
	(Unsecured, considered good)		
	Interest Receivable on deposits with Banks	21.16	19.83
	Total	**21.16**	19.83
8	**Non-Current tax asset (net)**		
	Tax Deducted at Source	112.27	110.58
	Total	**112.27**	110.58
9	**Other assets**		
9.1	**Non-Current**		
	(Unsecured, considered good)		
	Capital Advances	117.06	216.74
	Total	**117.06**	216.74
9.2	**Current**		
	(unsecured, considered good)		
	Loans and Advances to Employees	2.27	3.38
	Prepaid expenses	45.14	76.85
	Others	53.56	156.43
	Total	**100.97**	236.66

		As at 31 March 2021	As at 31 March 2020
10	**Trade receivables**		
	(a) Secured, considered good	-	-
	(b) Unsecured, considered good	556.40	131.38
	(c) Trade receivables which have significant increase in Credit Risk	-	-
	(d) Trade receivables - Credit Impaired	11.65	0.91
	Less: allowance for expected credit loss	(11.65)	(0.91)
	Total	**556.40**	131.38
10.1	**Of the above, trade receivables from:**		
	Related parties	-	-
	Others	556.40	131.38
	Total	**556.40**	131.38
10.2	**Classification of trade receivables**		
	Non-Current	-	-
	Current	556.40	131.38
	Total	**556.40**	131.38

		As at 31 March 2021	As at 31 March 2020
10.3	**Movement in allowance for expected credit loss**		
	Balance at the beginning of the year	0.91	-
	Add: Allowance for expected credit loss	11.65	5.71
	Less: Provision write back	-	4.80
	Less: Receivables written off	0.91	-
	Balance at the end of the year	**11.65**	0.91
11	**Cash and cash equivalents**		
	Balances with scheduled banks		
	In Savings accounts	441.35	474.17
	In Current accounts	0.50	0.50
	Total	**441.85**	474.67

12 Equity Share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorised Share Capital				
Equity share capital of ₹10 each	**10,000**	**1.00**	10,000	1.00
Issued, Subscribed and Fully Paid up				
Equity share capital of ₹10 each	**10,000**	**1.00**	10,000	1.00

12.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amount**	Number of Shares	Amount
Equity share capital of `10 each				
Balance as at beginning of the period	**10,000**	**1.00**	10,000	1.00
Issued during the period				
Balance as at end of the period	**10,000**	**1.00**	10,000	1.00

12.2 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amount**	Number of Shares	Amount
Equity shares of `10 each fully paid held by				
Tech Mahindra Limited*	**10,000**	**1.00**	10,000	1.00

* includes 200 equity shares held jointly with others (31 March 2020: 200 equity shares held jointly with directors)

12.3 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	**Amount**	Number of Shares	Amount
Equity shares of `10 each fully paid held by				
Tech Mahindra Limited*	**10,000**	**100%**	10,000	100%

* includes 200 equity shares held jointly with others (31 March 2020: 200 equity shares held jointly with directors)

12.4 Rights, preferences and restrictions attached to equity shares

The equity shares of the Company having par value of Rs.10/- per share, rank pari passu in all respects. Repayment of the capital in the event of wining up of the Company will inter alia be subject to the provisions of Companies Act, 2013 and the Articles of Association of the Company and the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other Company having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution.

		As at 31 March 2021	As at 31 March 2020
13	**Other equity**		
	Corpus Fund	**1,166.00**	1,166.00
	University Fund	**4,000.00**	4,000.00
	Building and Equipment Fund [Refer note 34]	**12,135.00**	8,185.00
	Retained Earnings	**(5,916.49)**	(3,780.77)
	Items of Other Comprehensive Income		
	Remeasurement of defined benefit plans	**86.91**	(45.67)
	Total	**11,471.42**	9,524.56
13.1	**Corpus Fund**		
	Opening balance	**1,166.00**	1,166.00
	Contributions received during the year	**-**	-
	Closing balance	**1,166.00**	1,166.00
13.2	**University Fund**		
	Opening balance	**4,000.00**	1,500.00
	Contributions received during the year	**-**	2,500.00
	Closing balance	**4,000.00**	4,000.00
13.3	**Building and Equipment Fund [Refer note 34]**		
	Opening balance	**8,185.00**	8,185.00
	Contributions received during the year	**3,950.00**	-
	Closing balance	**12,135.00**	8,185.00
13.4	**Retained Earnings**		
	Opening balance	**(3,780.77)**	(2,936.47)
	Surplus / (Deficit) for the year	**(2,135.72)**	(844.30)
	Closing balance	**(5,916.49)**	(3,780.77)
14.5	**Other Comprehensive Income accumulated in Other Equity, net of tax**		
	Remeasurement of defined benefit plans		
	Opening balance	**(45.67)**	7.11
	Surplus / (Deficit) for the year	**132.58**	(52.78)
	Closing balance	**86.91**	(45.67)

13.6 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

		As at 31 March 2021	As at 31 March 2020
14	**Lease liabilities**		
14.1	**Non-Current**		
	Lease liabilities	**5,739.05**	9,741.57
	Total	**5,739.05**	9,741.57
14.2	**Current**		
	Lease liabilities	**687.06**	2,547.40
	Total	**687.06**	2,547.40
15	**Other financial liabilities**		
15.1	**Non-Current**		
	Caution Deposit from students	**86.01**	122.84
	Total	**86.01**	122.84
15.2	**Current**		
	Caution Deposit from students	**64.48**	56.31
	Total	**64.48**	56.31
16	**Provisions**		
16.1	**Non-Current**		
	Provision for Employee Benefits [Refer note 32]		
	Compensated Absences	**47.27**	90.91
	Gratuity	**74.98**	106.58
	Total	**122.25**	197.50
16.2	**Current**		
	Provision for Employee Benefits [Refer note 32]		
	Compensated Absences	**13.69**	22.10
	Gratuity	**13.23**	8.12
	Total	**26.92**	30.21
17	**Trade payables**		
	(a) total outstanding dues of micro enterprises and small enterprises	**-**	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	**671.16**	487.40
	Total	**671.16**	487.40

17.1 Trade payables include Rs.37.26 Lakhs (31 March 2020: Rs.57.73 Lakhs) due towards related party. [Refer note 28]

		As at 31 March 2021	As at 31 March 2020
18	**Other current liabilities**		
	Statutory payables	**55.15**	98.91
	Deferred revenue	**830.64**	1,349.68
	Fee received in advance	**16.18**	103.98
	Retention money	**370.72**	227.66
	Research advance	**53.00**	57.29
	Payable to Mahindra University [Refer Note 35]	**1,166.46**	-
	Others	**0.12**	0.20
	Total	**2,492.28**	1,837.72

		As at 31 March 2021	As at 31 March 2020
19	**Fee from Academic Courses**		
	Academic Fee	**2,788.82**	3,563.35
	Application Fee	**-**	24.60
	Hostel Fee	**663.45**	1,390.70
	Gymkhana Fee	**57.25**	229.03
	Total	**3,509.53**	5,207.68
20	**Other Income**		
	Interest on Bank Deposits	**243.22**	296.45
	Interest on savings account	**51.44**	50.66
	Provisions no longer required written back	**-**	4.80
	Miscellaneous income	**14.75**	42.61
	Total	**309.42**	394.52
21	**Academic Expenses**		
	Affiliation Fees	**963.36**	282.31
	Ecole Centrale Paris Charges	**232.43**	208.71
	Seminars and Conferences	**8.09**	38.61
	Laboratory expenses	**9.01**	30.55
	Research expenses	**22.98**	33.84
	Other expenses	**2.92**	35.67
	Total	**1,238.79**	629.69
22	**Employee Benefits Expense**		
	Salaries and wages	**1,548.91**	1,952.12
	Contribution to provident and other funds	**116.55**	130.88
	Gratuity	**38.81**	46.58
	Staff welfare	**0.49**	11.50
	Total	**1,704.75**	2,141.08
23	**Finance Cost**		
	Other Borrowing Costs		
	Interest on Caution Deposit	**9.50**	11.44
	Interest expenses on lease liabilities	**782.00**	708.80
	Total	**791.50**	720.24
24	**Depreciation and Amortization Expense**		
	On Tangible assets	**557.83**	625.19
	On Right-of-use assets	**658.72**	637.33
	On Intangible assets	**12.39**	6.32
	Total	**1,228.95**	1,268.84
25	**Other expenses**		
	Rates and taxes	**366.86**	5.04
	Power and fuel	**103.53**	188.72
	Printing and Stationery	**6.35**	13.88
	Books and Periodicals	**47.83**	51.28
	Travelling and Conveyance	**7.98**	132.46
	Communication	**70.54**	70.60

	As at 31 March 2021	As at 31 March 2020
Advertisement and Publicity	**243.05**	247.76
Recruitment expenses	**1.73**	9.18
Repair and Maintenance	**270.69**	395.18
Debit balance written off	**-**	0.70
Security Charges	**68.23**	111.49
General Office Expenses	**204.86**	268.15
Legal and Professional Charges [Refer note 25.1]	**148.00**	164.08
Catering expenses	**100.02**	652.98
Provision for Doubtful Debts	**10.75**	-
Bank Charges	**0.12**	0.25
Miscellaneous expenses	**37.48**	13.04
Honarorium	**2.65**	1.86
Total	**1,690.66**	2,326.65

25.1 Auditors' Remuneration included under Legal and Professional Charges (excluding service tax/Good and service tax)

for Statutory Audit	**3.50**	3.50
for Tax Audit	**1.50**	1.50
for Other Matters	**-**	-
Total	**5.00**	5.00

26 Commitments and Contingencies

26.1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**5,787.55**	3,192.19
26.2	Contingent Liabilities	**Nil**	Nil
26.3	Commitments as sponsoring body towards MU	**Refer Note 35**	Nil

27 Operating Leases

Rental expenses of Rs.Nil [31 March 2020 : Nil] has been charged to Statement of Income and Expenditure in respect of cancellable operating leases.

28 Related Party Transactions

28.1 Following is the list of related parties and their relationships

Party Name	**Relationship**
Tech Mahindra Limited	Holding Company

28.2 Related party transactions for the year ended 31 March 2020 are as follows:

Tech Mahindra Limited

Donations Received	**700.00**	640.00
University fund	**-**	2,500.00
Building and Equipment fund	**3,950.00**	-
Lease Liabiltiy	**(5,717.99)**	11,580.17
Interest expense	**782.00**	708.80
TDS receivable	**-**	137.81
Professional fees	**11.09**	13.24
Insurance	**-**	27.64

		As at 31 March 2021	As at 31 March 2020
	Debit Balances at the end of the year		
	Tech Mahindra Limited	**-**	137.81
	Credit Balances at the end of the year		
	Tech Mahindra Limited	**37.26**	57.73
	Lease Liabiltiy	**6,426.11**	12,288.97

29 Segment Information

Based on the assessment of the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, the Company has only one business segment viz, of providing educational services. Hence there are no reportable segments under Ind AS. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

30 Earnings Per Equity Share

	As at 31 March 2021	As at 31 March 2020
Net surplus / (deficit) after tax	**(2,135.72)**	(844.30)
Shares - [in Numbers]		
Number of shares at the beginning of the year	**10,000**	10,000
Total number of equity shares outstanding at the end of the year	**10,000**	10,000
Weighted average number of equity shares outstanding during the year - Basic and Diluted	**10,000**	10,000
Earnings per share in Rs. - Par value of Rs.10 per share		
Basic and Diluted* [in Rs. per share]	**(21,357.17)**	(8,443.00)

* The Company has no dilutive instruments.

31 Trade payable other than acceptances include dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

		As at 31 March 2021	As at 31 March 2020
a)	Principal amount remaining unpaid	**-**	-
b)	Interest due thereon	**-**	-
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**-**	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-
e)	Interest accrued and remaining unpaid	**-**	-
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	**-**	-

32 Employee benefit plans

The gratuity scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design mean the risks commonly affecting the liabilities and the financial results are exposed to:

a) Interest rate risk : the defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b) Salary inflation risk : Higher than expexted increases in salary will increase the defined benefit obligation

c) Demographic risk : For example, as plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if tunover rates increase, then the liability will tend to fall as fewer employees reach vesting period.

I The Principal Assumptions used for the purposes of the acturial valuation as follows

	Details	31-Mar-21	31-Mar-20
1	Discount Rate(s)	**6.91%**	6.79%
2	Expected Rate(s) of salary increase	**4%**	4%
3	Demographic Assumptions		
	Mortality Rate	**Indian Assured lives Mortality (2012-14) Ult.**	Indian Assured lives Mortality (2012-14) Ult.
	Withdrawal Rate (per Annum)	**4%**	4%

II Disclosure of defined benefit cost :

	Details	Year ended 31 March 2021	Year ended 31 March 2020
A	Amounts Recongnised in Statement of Income and Expenditure		
1	Current Service Cost	**20.16**	33.42
2	Interest Cost	**7.79**	4.48
3	Settlement cost / (credit)	**-**	-
4	**Cost recognised in statement of income and expenditure**	**27.95**	37.90
B	**Amounts Recongnised in Other Comprehensive Income (OCI)**		
1	Actuarial (gain)loss due to DBO experience	**(54.45)**	22.51
2	Actuarial (gain)loss due to DBO assumption changes	**-**	-
3	Actuarial (gain)loss arising during the period	**(54.45)**	22.51
4	Return on plan assets (Greater)/Less than discount rate	**-**	-
5	Actuarial (gains)/losses recognised in OCI	**(54.45)**	22.51
6	Adjustment for limit on net asset	**-**	-
7	Cumulative Actuarial (Gain)/ Loss Recogni zed via OCI at prior year end	**-**	-
8	Cumulative Actuarial (Gain)/ Loss Recognized via OCI at Current Period End	**(54.45)**	22.51
C	**Defined benefit cost**		
1	Service Cost	**20.16**	33.42
2	Net interest on net defined benefit liability / (asset)	**7.79**	4.48
3	Actuarial (gains)/losses recognised in OCI	**(54.45)**	22.51
4	Immediate recognition or (gains)/losses - other long term employee benefit plans	**-**	-
5	Defined Benefit Cost	**(26.50)**	60.41

III Changes in benefit obligation and assets

A.	**Changes in defined benefit obligation:**		
1	Defined benefit obligation(DBO) at the end of prior period	**114.71**	62.83
2	Current service cost	**20.16**	33.42
3	Interest cost	**7.79**	4.48
4	Curtailment (credit)/ cost	**-**	-
5	Settlement (credit)/ cost	**-**	-
6	Past service cost - plan amendments	**-**	-
7	Acquisitions (credit)/ cost	**-**	-

8	Actuarial (gain)/loss	**(54.45)**	22.51
9	Actuarial (gain)/loss - demographic assumptions	**-**	-
		Year ended 31 March 2021	Year ended 31 March 2020
10	Actuarial (gain)/loss - financial assumptions	**-**	-
11	Benefits paid directly by the Company	**-**	-
12	Benefits paid from plan assets	**-**	(8.53)
13	DBO at end of current period	**-**	-
13	DBO at end of current period	**88.21**	114.71

B.	**Changes in fair value of assets:**		
1	Fair value of assets at end of prior period	**-**	-
2	Acquisition adjustment	**-**	-
3	Interest income on plan assets	**-**	-
4	Employer contributions	**-**	-
5	Return on plan assets greater/(lesser) than discount rate	**-**	-
6	Benefits paid	**-**	-
7	Fair Value of assets at the end of current period	**-**	-

IV Additional Disclosures

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Expected benefit payments for the years ending**		
	2020	**-**	8.12
	2021	**13.23**	5.10
	2022	**4.14**	9.26
	2023	**6.11**	7.28
	2024	**4.89**	7.22
B.	**Current and Non current breakup**		
	Current liability	**13.23**	8.12
	Non current liability	**106.59**	106.59
	Total Liability	**119.82**	114.70

V Sensitivity Analysis

	Details	**As at 31 March 2021**	As at 31 March 2020
A	**Discount rate**		
	Discount rate as at year end	**6.91%**	6.79%
	Effect on DBO due to 1% increase in discount rate	**80.33**	103.47
	Effect on DBO due to 1% decrease in discount rate	**97.62**	128.14
B	**Salary escalation rate**		
	Salary escalation rate as at year end	**4%**	4%
	Effect on DBO due to 1% increase in salary escalation rate	**98.02**	128.58
	Effect on DBO due to 1% decrease in salary escalation rate	**79.88**	102.92

	Details	As at 31 March 2021	As at 31 March 2020
C	**Attrition rate**		
	Salary escalation rate as at year end	**4%**	4%
	Effect on DBO due to 1% increase in attrition rate	**90.24**	117.09
	Effect on DBO due to 1% decrease in attrition rate	**85.78**	111.80

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directons, while the Plan's sensitivity to such changes can vary over time.

33 Financial Instruments

33.1 Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:

	As at 31 March 2021	As at 31 March 2020
Financial Assets		
Financial assets measured at fair value	**-**	-
Financial assets measured at amortised cost		
Other financial assets	**4,406.92**	4,040.10
Financial Liabilities		
Financial liabilities measured at fair value		
Financial liabilities measured at amortised cost		
Lease liabilities	**6,426.11**	12,288.97
Other financial liabilities	**150.49**	179.15

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

33.2 Fair value hierarchy

The fair value of financial instruments as referred to in note 33.1 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The Company does not have any financial assets and liabilities, which are measured at fair value.

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

33.3 Financial Risk Management

The Company’s activities are exposed to liquidity and market risks. The Company’s senior management has the overall responsibility for establishing and governing the company’s risk management frame work. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company’s risk management policies. The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the board annually.

34 The Company has received Rs.12135.00 Lakhs as contributions towards development of building and equipment till year ended 31 March 2021. The Company has utilized amounts received and incurred capital expenditure Rs.12081.28 Lakhs (including advances paid of Rs.117.06 Lakhs) as on 31 March 2021 for the construction of buildings and purchase of equipments.

35 Establishment of Mahindra University

The Mahindra Educational Institutions ("MEI") has made an application to the Telangana State Govt ("TS Govt"), as sponsoring body, under The Telangana State Private Universities (Establishment and Regulation) Act, 2018 ("the Act") to permit it to establish a private University under the Act. During the year, Telangana State Govt ("TS Govt") granted permission to establish Mahindra University ("MU") in accordance with section 10 of the Act by publishing grant of approval in the Official Gazette dt.20th May 2020.

By virtue of said notification and no objection from Jawaharlal Nehru Technology Institute ('JNTU'), MEI would continue the academic activity for existing students under JNTU and any fresh admissions would be under MU. The infrastructure, relating to academic activity would vest with MU. Accordingly, MEI would cease to carry on activities of MEC over a period of three years and would continue its charitable activity in academics through MU as Sponsoring Body.

The Sponsoring Body, MEI under the Act, has given certain financial assurances and agreed to provide initial infrastructure necessary to commence the academic activities of the University as per the LOI.

As a Sponsoring Body, the MEI has following obligations in terms of the LOI:

a) Following two parcels of land to be registered in its name within a period of six months: 5 Acres 20 guntas and 16 Acres .056 guntas which are leased for a period of 29 years 10 months. This has been subsequently amended to include perpetual irrevocable lease in the name of sponsoring body for 90 years period of time and MEI complied with the requirement.

b) Establish corpus fund of Rs.10.00 crores

c) Continue Rs.30 Crores in the form of fixed deposit for a period of 3 years to support the various activities like construction of buildings, infrastructure and campus development etc.

d) Maintain endowment fund of 1% of the Project cost or Rs.10 Crores whichever is lower

e) Furnish sale / gift deed of the land favouring sponsoring body (amended to lease vide 1 above) and allocating the land exclusively to MU.

The MEI has made deposits and held in its name against its obligation as sponsoring body. The MEI has made a deposit of Rs.1.5 cr in the name of MU and State Government of Telangana towards endowment fund obligation and would transfer to MU in due course.

By virtue of notification stated above, the University was permitted to take students from Academic Year 2020-21, and the MEI was in receipt of admission and application fee and incurred costs on behalf of MU during the period of establishment of MU i.e. till 31 December 2020.

The MEI has identified revenues and expenditures for the period from 1st October 2020 being date of establishment of MU till 31 December 2020 and transferred to MU. From 1 January 2021 onwards, MU commenced accounting of its transactions. The liabilities, assets, income and expenditure transferred to MU are as detailed below:

Particulars	**Amount in Lakhs**
Stipend paid to Phd Students from Sept to December 2020	23.00
Salary cost of the professors for the period October 20 to December 2020	251.12
Lease Rent for the period October 2020 to December 2020	202.70
Sub-total	**476.82**
Fee received on-behalf of MU	1,599.80
Application Fee	43.49
Sub-total	**1,643.29**
Net payable	**(1,166.46)**

As at the year end, the Company had made its assets, infrastructure and other facilities available to MU for the purpose of its academic activities.

36 During the year 2020-21, pandemic caused due to COVID 19 had spread across most of parts the country and education sector is one sector which was affected by it. While there is no reduction in Company's revenues from tuition fee due to Covid-19, the hostel and other fees have decreased marginally. In assessing the recoverability of receivables (i.e. fee dues), financial assets and certain investments, the Company has considered internal and external information up to the date of approval of these financial statements. Considering the nature of these assets, while some delays are expected in the collection, the Company expects to recover the carrying amount of these assets. The impact of COVID 19 may be different from that estimated by the Company and the Company will continue to closely monitor any material changes in future economic conditions. Considering the Company's present liquidity position and the nature of its activities, the Company is of the opinion that it would be able to discharge its obligations.

37 Provision for current tax and deferred tax has not been made since the income of Company is exempted U/s 11 and 12 of the Income Tax Act, 1961. Tax assessment upto AY 17-18 are complete granting exemption to the income of the Company.

See accompanying notes to the financial statements

In terms of our report attached	for and on behalf of the Board of Directors of		
for M. Bhaskara Rao & Co.,	**Mahindra Educational Institutions**		
Chartered Accountants	**CIN: U80300TG2013NPL086878**		
M.V. Ramana Murthy	**Vineet Nayyar**	**C.P. Gurnani**	**Milind Kulkarni**
Partner	Director	Director	Director
Hyderabad, 28 April 2021	DIN:00018243	DIN:00018234	DIN:00012888

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