Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited)
Balance Sheet as at March 31, 2023
(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,927.43	841.79
(b) Other intangible assets	4	1,090.99	2,181.99
(c) Capital work in progress	4A	685.12	-
(d) Goodwill	5	11,869.12	11,869.12
(e) Right-of-use assets	6	4,359.42	1,098.44
(f) Financial assets			
(i) Other financial assets	7	1,294.70	6,825.08
(g) Deferred tax assets (net)	8	769.04	607.57
(h) Other non-current assets	9	5,927.53	2,245.79
Total non-current assets		**27,923.35**	**25,669.78**
Current assets			
(a) Financial assets			
(i) Trade receivables	10	35,752.10	31,295.31
(ii) Cash and cash equivalents	11	32,956.91	32,315.42
(iii) Bank balances other than Cash and cash equivalents	11	8,221.54	1,501.99
(iv) Other financial assets	12	28,246.87	24,976.74
(b) Other current assets	13	296.27	3,470.55
Total current assets		**105,473.69**	**93,560.01**
TOTAL ASSETS		**133,397.04**	**119,229.79**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	680.64	680.64
(b) Other equity	15	86,182.58	62,721.26
Total equity		**86,863.22**	**63,401.90**
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	6 & 16	3,745.94	900.32
(b) Provisions	17	349.96	515.53
Total non-current Liabilities		**4,095.90**	**1,415.85**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	6 & 16	654.37	324.48
(ii) Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		8.62	1.03
(b) Total outstanding dues of creditors other than micro and small enterprises		28,586.42	38,735.33
(iii) Other financial liabilities	19	12,771.79	14,248.79
(b) Other current liabilities	20	306.31	1,004.84
(c) Provisions	17	110.41	97.57
Total current liabilities		**42,437.92**	**54,412.04**
TOTAL EQUITY AND LIABILITIES		**133,397.04**	**119,229.79**

The accompanying notes form an integral part of the financial statements 1-44

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

For and on behalf of the Board of Directors of
Karix Mobile Private Limited
(formerly known as Tanla Corporation Private Limited)
CIN: U70100TG1998PTC054527

Amit Kumar Agarwal
Partner
Membership No. 214198

D. Uday Kumar Reddy
Director
DIN: 00003382

Deepak Satyaprakash Goyal
Director
DIN: 01755263

Place: Hyderabad
Date: April 26, 2023

Place: Hyderabad
Date: April 26, 2023

Place: Hyderabad
Date: April 26, 2023

Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited)
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
I. Revenue from operations	21	185,003.40	178,341.54
II. Other income	22	1,887.73	820.10
III. Total Income (I+II)		**186,891.13**	**179,161.64**
IV. Expenses			
Cost of services	23	142,641.83	137,450.46
Employee benefits expense	24	6,988.45	5,366.92
Depreciation and amortization expense	25	1,659.05	1,851.76
Connectivity and related expenses		605.48	497.10
Finance costs	26	87.85	116.32
Other expenses	27	4,225.86	3,064.63
Total expenses (IV)		**156,208.52**	**148,347.19**
V. Profit before exceptional items and tax (III - IV)		**30,682.61**	**30,814.45**
VI. Exceptional items		-	-
VII. Profit before tax (V-VI)		**30,682.61**	**30,814.45**
VIII. Tax expense:			
Current tax		7,566.74	7,897.59
Deferred tax	28	(191.12)	(16.95)
Prior period tax		(0.34)	(77.58)
Total tax expense (VIII)		**7,375.28**	**7,803.06**
IX. Profit for the year (VII-VIII)		**23,307.32**	**23,011.39**
X. Other comprehensive income			
(I) Items that will not be reclassified to profit or loss			
Remeasurements of the net defined benefit asset/liability	15	205.78	60.95
Income tax relating to items that will not be reclassified to profit or loss		(51.79)	(18.72)
Total Other comprehensive income, net of taxes		**153.99**	**42.23**
XI. Total Comprehensive income for the year (IX + X)		**23,461.32**	**23,053.62**
XII. Earnings per equity share of par value, Rs. 10 each			
1. Basic	29	342.43	338.08
2. Diluted		342.43	338.08
The accompanying notes form an integral part of the financial statements	1-44		

As per our report of even date attached

For M S K A & Associates

Chartered Accountants
Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No. 214198

Place: Hyderabad
Date: April 26, 2023

For and on behalf of the Board of Directors of
Karix Mobile Private Limited
(formerly known as Tanla Corporation Private Limited)
CIN: U70100TG1998PTC054527

D. Uday Kumar Reddy
Director
DIN: 00003382

Place: Hyderabad
Date: April 26, 2023

Deepak Satyaprakash Goyal
Director
DIN: 01755263

Place: Hyderabad
Date: April 26, 2023

Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited)
Statement of Cash Flows for the year ended March 31, 2023
(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
I CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional item and tax	30,682.61	30,814.45
Adjustments for:		
Depreciation and amortisation expenses	1,659.05	1,851.76
Exchange fluctuation	538.41	-
Finance costs	87.85	116.32
Interest income	(1,815.95)	(613.61)
Provision for bad and doubtful debts	450.43	614.11
Provision for gratuity and leave encashment	135.64	189.20
Operating profit before working capital changes	**31,738.04**	**32,972.23**
Working capital changes:		
(Increase)/Decrease in Trade receivables	(4,907.22)	(13,274.47)
(Increase) in Other financial assets	(3,802.69)	(8,455.08)
Decrease in Other current assets	1,465.32	(1,259.95)
(Increase)/Decrease in Other non current assets	(131.62)	44.99
(Decrease) in Trade payables	(10,141.33)	24,597.12
Increase/(Decrease) in Other current liabilities	(698.52)	544.92
Increase/(Decrease) in Other financial liabilities	(1,367.53)	(1,679.80)
(Decrease) in Provisions	(288.38)	(57.19)
Cash generated from operations	**11,866.07**	**33,432.76**
Income taxes received/(paid)	(9,377.91)	(6,292.36)
Net cash generated from operating activities	**2,488.15**	**27,140.40**
II CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property plant and equipment and CWIP	(2,064.73)	(712.59)
Interest received on fixed deposits	1,379.05	371.12
Movement in other bank balances and bank deposits with maturity period of more than three months	(713.59)	(4,146.60)
Net cash generated from/(used in) investing activities	**(1,399.27)**	**(4,488.07)**
III CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(87.85)	(116.32)
Repayment of lease liabilities	(359.55)	(304.63)
Net cash generated from/(used in) financing activities	**(447.40)**	**(420.95)**
IV Net increase in cash and cash equivalents	641.49	**22,231.38**
Cash and cash equivalents at the beginning of the year	32,315.42	10,084.04
Cash and cash equivalents at the end of the year (refer note 11)	**32,956.91**	**32,315.42**

The accompanying notes form an integral part of the financial statements 1-44

As per our report of even date attached

For M S K A & Associates

Chartered Accountants
Firm Registration No. 105047W

For and on behalf of the Board of Directors of
Karix Mobile Private Limited
(formerly known as Tanla Corporation Private Limited)
CIN: U70100TG1998PTC054527

Amit Kumar Agarwal
Partner
Membership No. 214198

Place: Hyderabad
Date: April 26, 2023

D. Uday Kumar Reddy
Director
DIN: 00003382

Place: Hyderabad
Date: April 26, 2023

Deepak Satyaprakash Goyal
Director
DIN: 01755263

Place: Hyderabad
Date: April 26, 2023

Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited)
Statement of changes in equity for the year ended March 31, 2023
(All amounts are in INR Lakhs, except for share data and where otherwise stated)

A. Equity share capital

Particulars	Note	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid:					
Opening	14	6,806,460	680.64	6,806,460	680.64
Add: Issued during the year		-	-	-	
Closing		**6,806,460**	**680.64**	**6,806,460**	**680.64**

B. Other Equity

Particulars		Reserves and Surplus		Items of OCI	
		Securities Premium Account	Retained Earnings	Remeasurement of Net defined benefit plans	Total
Balance as at April 01, 2021		**27,776.71**	**11,975.62**	**(84.69)**	**39,667.64**
Profit for the year	15	-	23,011.39	-	23,011.39
Other comprehensive income (net of tax)		-	-	42.23	42.23
Balance as at March 31, 2022		**27,776.71**	**34,987.01**	**(42.46)**	**62,721.26**
Balance as at March 31, 2022		**27,776.71**	**34,987.01**	**(42.46)**	**62,721.26**
Profit for the year			23,307.32		23,307.32
Other comprehensive income (net of tax)				153.99	153.99
Balance as at March 31, 2023		**27,776.71**	**58,294.33**	**111.53**	**86,182.58**

The accompanying notes form an integral part of the financial statements 1-44

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

For and on behalf of the Board of Directors of
Karix Mobile Private Limited (formerly Tanla Corporation Private Limited)
CIN: U70100TG1998PTC054527

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: April 26, 2023

D. Uday Kumar Reddy
Director
DIN: 00003382

Place: Hyderabad
Date: April 26, 2023

Deepak Satyaprakash Goyal
Director
DIN: 01755263

Place: Hyderabad
Date: April 26, 2023

1 General Information

Karix Mobile Private Limited (formerly Tanla Corporation Private Limited) is a private limited Company, domiciled in India and was incorporated on November 16, 1998 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at Tanla Technology Centre, Hi Tech City Road, Madhapur, Hyderabad, Telangana-500082. The Company is primarily engaged in the business of providing mobile marketing and advertising technology for brands, advertising agencies, mobile operators and media groups.

2 Significant accounting policies

Significant accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements have been prepared for as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date March 31, 2023.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
ii) Net defined benefit liability are measured at fair value of defined benefit obligations.

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

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognised in the year in which the estimates are revised and in any future years affected. Refer Note 2B for detailed discussion on estimates and judgements.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

— Useful lives of property, plant and equipment;
— Impairment;
— Financial instruments;
— Employee benefits;
— Provisions;
— Income taxes

2.2 Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II – Ind AS Schedule III to the Act. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:
• Expected to be realised or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is classified as current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes (other than those subsequently recoverable from tax authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

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

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

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'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Schedule II	Useful Life
Leasehold improvement*	Over lease period	Lower of lease period or useful life
Furniture and Fixtures	10 years	5-6 years
Office Equipment	5 years	1-6 years
Vehicle	8 years	6 years
Computers:		
-Servers	6 years	6 years
-End user devices such as, desktops, laptops etc.	3 years	6 years
Airconditioners	10 years	4-6 years

* Leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.4 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation.

The Company amortised intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Platforms & Deployments	3 years
Customer relationship	5 years
Brand	3 years
Non-compete	3 years
Technology	3 years

2.5 Leases

Company 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 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 and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements 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, Company 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: –
– 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 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 change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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 recognise right-of-use assets and lease liabilities for short term leases of real estate properties, computer servers that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.6 Goodwill

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

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

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.7 Foreign Currency Transactions

(a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company functional and presentation currency.

(b) Transactions and balances
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 period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

2.8 Impairment of non-financial assets

The carrying amounts of the Company's tangible and intangible 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 in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 the cash generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets 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 Company's of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and 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 previously recognised.

2.9 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company has an established control framework with respect to the measurement of fair values. This includes periodic review of all significant fair value measurement, including level 3 fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. 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.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes has occurred.

2.10 Revenue Recognition

The Company derives revenues primarily from Messaging services, software development, hosting services, Virtual number services and platform access services.

i) Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

ii) Revenue from messaging services is recognised based on the no. of messages delivered on a fixed price, fixed-time frame contracts where there is no uncertainty as to measurement or collectability. 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.

iii) Revenue on time proportion based contract are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as accrued income (contract asset).

iv) Revenue from Other Services: Software Development income is recognised based on Project completion method. Hosting fee, Virtual Number Fee and Platform access fee are based on time-proportion method.

2.11 Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.12 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other comprehensive income or directly in equity. In case, the tax is also recognised in Other comprehensive income or directly in equity, respectively.

2.13 Provisions and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
Contingent liability is disclosed for:
• Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

2.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit for the year is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular cash generating revenue generating, investing and financing activities of the Company are segregated.

2.16 Financial instruments

Trade receivables 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 or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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

(a) Financial assets

Initial Recognition and measurement

(i) On initial recognition, a financial asset is classified as measured at
• amortised cost;
• fair value through other comprehensive income ("FVTOCI") – debt investment;
• FVTOCI – equity investment; or
• FVTPL
Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(ii) **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortised cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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:

• the asset is held within a business model whose objective is to hold assets 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Fair value through other comprehensive income (FVOCI):
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL):
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) **Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortised cost and FVOCI.

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) **Derecognition of financial assets**

A financial asset is derecognised only when
a) the rights to receive cash flows from the financial asset is transferred or
b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(b) Financial liabilities

(i) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

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

(ii) Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortised cost using the effective interest method. 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.

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

(c) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.17 Employee Benefits

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

(b) Other long-term employee benefit obligations

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

Leave encashment: Accumulated compensated absences, which are expected to be encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.18 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company financial performance. Items which may be considered exceptional are significant restructuring charges, significant disposal of Property, plant and equipment etc.

2.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or 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 year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

2B Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

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

(a) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

2C Trade and other payables

These amounts represents liabilities for goods and services provied to the company prior to the end of the financial year which are unpaid , the amount are unsecured under usually paid within 60 day of recognition.

2D Recent accounting pronouncements

(a) Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from April 01, 2023:
Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements
The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.
The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors
The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

"(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes
The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.
The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:
• right-of-use assets and lease liabilities, and
• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.
The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.
The Company is currently assessing the impact of the amendments."

(b) Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 01, April 2022 :

(i) Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37
Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:
• The incremental costs of fulfilling that contract- e.g. direct labour and material; and
• An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.
The Company, prior to the application of the amendments, did not have any onerous contracts.

(ii) References to the Conceptual Framework - Amendments to Ind AS 103
The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

(iii) Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16
The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

(iv) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability
The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those 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.
These amendments had no impact on the financial statements of the Company as there are no financial instruments of such nature during the year.

(v) Taxation in fair value measurements – Amendments to Ind AS 41
The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2023
(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 3:
Property, Plant and Equipment

	Gross carrying amount				Depreciation				Net carrying amount	
	As at April 01, 2022	Additions	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Owned assets										
Air conditioners	17.71	0.61	-	18.32	4.04	4.45	-	8.49	9.83	13.67
Office Equipment	100.31	70.22	-	170.53	97.56	4.50	-	102.06	68.47	2.75
Computers	2,215.06	1,305.21	-	3,520.27	1,413.24	278.21	-	1,691.45	1,828.82	801.82
Furniture	333.18	3.56	-	336.74	309.63	6.80	-	316.43	20.31	23.55
Vehicles	20.13	-	-	20.13	20.13	-	-	20.13	-	-
Total	**2,686.39**	**1,379.60**	**-**	**4,065.99**	**1,844.60**	**293.97**	**-**	**2,138.57**	**1,927.43**	**841.79**

	Gross carrying amount				Depreciation				Net carrying amount	
	As at April 01, 2021	Additions	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Owned assets										
Air conditioners	0.28	17.43	-	17.71	0.18	3.86	-	4.04	13.67	0.10
Office Equipment	97.47	2.84	-	100.31	94.84	2.72	-	97.56	2.75	2.63
Computers	1,537.17	677.89	-	2,215.06	1,274.55	138.69	-	1,413.24	801.82	262.62
Furniture & Fixtures	318.75	14.43	-	333.18	305.19	4.44	-	309.63	23.55	13.56
Vehicles	20.13	-	-	20.13	20.13	-	-	20.13	-	-
Total	**1,973.80**	**712.59**	**-**	**2,686.39**	**1,694.89**	**149.71**	**-**	**1,844.60**	**841.79**	**278.91**

Note 4:
Other Intangible Assets

	Gross carrying amount				Amortization				Net carrying amount	
	As at April 01, 2022	Additions	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Platforms	159.92	-	-	159.92	159.92		-	159.92	-	-
Brand	1,016.00	-	-	1,016.00	1,016.00		-	1,016.00	0.00	0.00
Customer Relationship	5,455.00	-	-	5,455.00	3,273.01	1,091.00	-	4,364.01	1,090.99	2,181.99
Non-compete	75.00	-	-	75.00	75.00		-	75.00	-	-
Technology	425.00	-	-	425.00	425.00	-	-	425.00	-	-
Total	**7,130.92**	**-**	**-**	**7,130.92**	**4,948.93**	**1,091.00**	**-**	**6,039.93**	**1,090.99**	**2,181.99**

	Gross carrying amount				Amortization				Net carrying amount	
	As at April 01, 2021	Additions	Deductions/ Adjustments	As at March 31, 2022	As at April 01, 2021	For the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Platforms	159.92	-	-	159.92	159.91	0.01	-	159.92	-	0.01
Brand	1,016.00	-	-	1,016.00	677.34	338.66	-	1,016.00	0.00	338.66
Customer Relationship	5,455.00	-	-	5,455.00	2,182.00	1,091.01	-	3,273.01	2,181.99	3,273.00
Non-compete	75.00	-	-	75.00	75.00	-	-	75.00	-	-
Technology	425.00	-	-	425.00	425.00	-	-	425.00	-	-
Total	**7,130.92**	**-**	**-**	**7,130.92**	**3,519.25**	**1,429.68**	**-**	**4,948.93**	**2,181.99**	**3,611.67**

Note: See accounting policy 2.3 and 2.4

Note 4A: Capital work in progress

	Gross carrying amount				Depreciation					Net carrying amount	
	As at April 01, 2022	Additions	Deductions/ Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions/ Adjustments	As at March 31, 2023		As at March 31, 2023	As at March 31, 2022
Capital work in progress		685.12	-	685.12	-	-	-	-		685.12	-
Total	**-**	**685.12**	**-**	**685.12**	**-**	**-**	**-**	**-**	**-**	**685.12**	**-**

Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2023
(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 5
Goodwill:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	11,869.12	11,869.12
Additions	-	-
Impairment loss	-	-
Closing Balance	**11,869.12**	**11,869.12**

Impairment testing for cash generating unit containing goodwill:
The recoverable amount of the CGU, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Management covering a five year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the years is stated in the below table and cash flows beyond the five year period are extrapolated using a long term growth rate as stated in the below table that is the same as the long-term average growth rate for the A2P SMS service industry.

The following table sets out the key assumption for the Cash Generating Unit ("CGU") for performing the annual impairment test:

	March 31, 2023	March 31, 2022
Discount rate	18.25%	18.25%
Terminal growth rate	3.00%	3.00%

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

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

Note 6
Right-of-use Assets
The Company’s lease assets primarily consist of buildings for corporate offices having various lease terms.

Movement in Right of use assets and Lease liabilities is given below:

Particulars	March 31, 2023	March 31, 2022
(i) The movement in right-of-use assets is as follows :		
Opening balance	1,098.44	385.79
Addition during the year	3,535.06	985.02
Deletions during the year	-	-
Depreciation charge for the year(Refer Note 25)	274.08	272.37
Closing balance	**4,359.42**	**1,098.44**
(ii) The movement in lease liabilities is as follows :		
Opening balance	1,224.80	**434.91**
Addition during the year	3,535.06	985.02
Deletions during the year	-	-
Accretion of Interest (Refer Note 26)	87.82	109.50
Payment of principal portion of lease liabilities	447.37	304.63
Closing balance	**4,400.31**	**1,224.80**
(iii) The break-up of current and non-current lease liabilities is as follows:		
Non-current lease liabilities	3,745.94	900.32
Current lease liabilities	654.37	324.48
(iv) The contractual maturities of lease liabilities on an undiscounted basis are as follows:		
Less than one year	654.37	324.48
One to five years	3,081.56	900.32
More than five years	664.38	-

Rental expense for low value assets and short-term leases was 162.24 (March 31, 2022: 179.18) included under other expenses in the statement of profit and loss under note 27.

Note 7
Other financial assets-Non-current

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Security deposits		
Considered good		
Earnest money deposits	773.70	640.06
Rental deposits	252.29	181.80
Other deposits	262.76	3.22
Considered doubtful		
Earnest money deposits	-	23.00
Less: Provision for advances (deposits)	-	(23.00)
(b) Bank deposits with more than twelve months maturity*	5.95	6,000.00
Total	**1,294.70**	**6,825.08**

* Refer note 36 for Company's financial instruments at risk, including risk management objectives, policies and methods used to measure financial instruments.

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 8
Deferred tax

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deferred tax asset (net)	769.04	607.57
Total	**769.04**	**607.57**

Deferred tax relates to the following:

Particulars	As at April 1, 2022	Recognised in Profit & Loss	Recognised in OCI	Other adjustments	As at March 31, 2023
Deferred tax asset/(liabilities)					
On property, plant and equipment	346.83	(18.09)			328.74
On Provision for employee benefits	85.47	30.41	(51.79)		64.09
On leases	8.01	(8.01)			-
On Others	167.26	186.81		22.14	376.21
Deferred tax asset, net	**607.57**	**(191.12)**	**(51.79)**	**22.14**	**769.04**

Particulars	As at April 1, 2021	Recognised in Profit & Loss	Recognised in OCI	Other adjustments	As at March 31, 2022
Deferred tax asset/(liabilities)					
On property, plant and equipment	359.01	12.18	-	-	346.83
On Provision for employee benefits	128.93	25.37	(18.72)	0.63	85.47
On leases	12.36	4.35	-	-	8.01
On Others	108.41	(58.85)	-	-	167.26
Deferred tax asset, net	**608.71**	**(16.95)**	**(18.72)**	**0.63**	**607.57**

Note 9
Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Income tax asset, net*	5,795.90	2,245.79
(b) Prepaid expenses	131.63	-
Total	**5,927.53**	**2,245.79**

* Represents advance income tax and tax deducted at source of the Company.

Note 10
Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Trade receivables-Considered good*	37,016.80	32,109.57
Less: Allowances for expected credit loss	(1,264.70)	(814.26)
Trade receivables-Considered impaired	-	-
Less: Allowances for expected credit loss	-	-
Total	**35,752.10**	**31,295.31**

* Includes dues from subsidiaries (refer note 39)

Trade receivables ageing schedule:

As at March 31, 2023

Particulars	Outstanding for following periods from date of invoice					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables:						
Considered good	30,800.07	4,141.62	1,365.90	335.28	373.92	37,016.79
Credit impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**30,800.07**	**4,141.62**	**1,365.90**	**335.28**	**373.92**	**37,016.79**
Less: Allowance for expected credit loss						(1,264.70)
Balance at the end of the year						**35,752.09**

As at March 31, 2022

Particulars	Outstanding for following periods from date of invoice					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables:						
Considered good	29,140.12	663.85	1,931.68	91.87	282.05	32,109.57
Credit impaired	-	-	-	-	-	-
Disputed Trade receivables	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**29,140.12**	**663.85**	**1,931.68**	**91.87**	**282.05**	**32,109.57**
Less: Allowance for expected credit loss						(814.26)
Balance at the end of the year						**31,295.31**

Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited)
Notes forming part of the Financial Statements for the year ended March 31, 2023
(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 11

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
(a) Balances with banks		
- Current accounts	1,085.69	3,689.58
- Deposit accounts	31,871.22	28,625.84
Total	**32,956.91**	**32,315.42**
Bank balances other than Cash and cash equivalents		
- Fixed deposits with maturity of more than 3 months and less than 12 months from the Balance Sheet date*	6,000.00	-
- Bank guarantees and margin money**	2,221.54	1,501.99
Total	**8,221.54**	**1,501.99**
Total	**41,178.45**	**33,817.41**

*The deposits maintained by the Company with banks comprises deposits can be withdrawn by the Company at any point without prior notice or penalty on the principal.
** Bank guarantees and margin money are given to various Telcos/PSU banks and government agencies.

Note 12
Other financial assets-current

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Accrued income	24,775.39	24,662.22
(ii) Interest receivable	687.38	250.48
(iii) Other receivables	2,784.10	64.04
Total	**28,246.87**	**24,976.74**

Note 13
Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Advances recoverable in cash or kind	296.27	141.59
(ii) GST Input credit	-	1,620.00
(iii) Balances with revenue authorities *	-	1,708.96
Total	**296.27**	**3,470.55**

* Represents advance income tax and TDS receivable of the Company.

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 14
Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Authorised 1,85,00,000 equity shares of par value Rs. 10/- each (March 31, 2022: 1,85,00,000 equity shares of par value Rs. 10/- each)	1,850.00	1,850.00
(ii) Issued Subscribed and fully paid up: 68,06,460 equity shares of par value Rs. 10/- each (March 31, 2022: 68,06,460 equity shares of par value Rs. 10/- each)	680.64	680.64
Total	**680.64**	**680.64**

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2023		As at March 31, 2022	
Equity Shares:	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	6,806,460	680.65	6,806,460	680.65
Add: Issued and allotted during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**6,806,460**	**680.65**	**6,806,460**	**680.65**

ii) Terms/Rights and restrictions attached to the equity shares:
Equity Shares: The Company has only one class of equity shares having a face value of Rs.10 each. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends and dividend, if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

iii) No class of shares have been issued as bonus shares or for consideration other than cash by the Company in the last five preceding financial years.

iv) No class of shares have been bought back by the Company during the period of five years immediately preceeding the current year.

v) Tanla Platforms Limited (formerly known as Tanla Solutions Limited) is the holding Company of Karix Mobile Private Limited (formerly known as Tanla Corporation Private Limited) and there has been no change in the shareholding during the financial year 2022-23 (refer note (vi))

vi) The details of shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	in %	No. of Shares	in %
Tanla Platforms Limited	6,806,460	99.99%	6,806,460	99.99%

Note 15
Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Securities premium account	27,776.71	27,776.71
(ii) Retained earnings	58,294.33	34,987.01
(iii) Other items of other comprehensive income/(loss)	111.54	(42.46)
Total	**86,182.58**	**62,721.26**

(i) Securities premium account

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	27,776.71	27,776.71
Add: Movement during the year	-	-
Closing balance	**27,776.71**	**27,776.71**

(ii) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	34,987.01	11,975.62
Add: Profit for the year	23,307.32	23,011.39
Closing balance	**58,294.33**	**34,987.01**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

(iii) Items of Other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(42.46)	(84.69)
Add: Remeasurement of the net defined benefit asset/liability, net of tax	153.99	42.23
Closing balance	**111.54**	**(42.46)**

(i) Securities premium account: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium, on exercise of stock options. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.

(ii) Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

(iii) Items of Other comprehensive income: Represents re-measurement of defined employee benefit plan, i.e. Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified into statement of profit and loss.

Note 16
Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities-non current (refer note 6)	3,745.94	900.32
Lease liabilities- current (refer note 6)	654.37	324.48
Total	**4,400.31**	**1,224.80**

Note 17
Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term provisions		
Gratuity (refer note 40)	252.50	419.39
Leave encashment	97.46	96.14
Total (A)	**349.96**	**515.53**
Short term provisions		
Gratuity (refer note 40)	74.72	77.77
Leave encashment	35.69	19.80
Total (B)	**110.41**	**97.57**
Total (A)+(B)	**460.37**	**613.10**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 18
Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	8.62	1.03
Total outstanding dues of creditors other than micro and small enterprises	28,586.42	38,735.34
Total	**28,595.04**	**38,736.37**

Notes:
1. Refer note 32 for the details of amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).
2. Creditors other than micro and small enterprises are non-interest bearing and are settled as per the normal trade cycle.
3. The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in note 36.

Trade payables ageing schedule
As at March 31, 2023

Particulars	Outstanding for following periods from date of invoice				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	8.62	-	-	-	8.62
ii) Others	28,254.84	-	-	331.58	28,586.42
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-
Total	**28,263.46**	**-**	**-**	**331.58**	**28,595.04**

As at March 31, 2022

Particulars	Outstanding for following periods from date of invoice				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	1.03	-	-	-	1.03
ii) Others	34,040.78	3,942.55	59.49	692.52	38,735.34
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-
Total	**34,041.81**	**3,942.55**	**59.49**	**692.52**	**38,736.37**

Note 19
Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other financial liabilities	2,548.15	828.47
Other payable - Cost of services	10,223.64	13,420.32
Total	**12,771.79**	**14,248.79**

Note 20
Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	306.31	1,004.84
Total	**306.31**	**1,004.84**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 21
Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services (refer note 34)	185,003.40	178,341.54
Total	**185,003.40**	**178,341.54**

Note 22
Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	1,815.95	613.61
Miscellaneous income	71.78	206.49
Total	**1,887.73**	**820.10**

Note 23
Cost of services

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of services	142,641.83	137,450.46
Total	**142,641.83**	**137,450.46**

Note 24
Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages (refer note 1 below)	5,851.13	4,835.21
Employee stock compensation expense (refer note 2 below)	726.70	216.54
Contribution to provident and other funds	284.56	262.15
Staff welfare expenses	126.06	53.02
Total	**6,988.45**	**5,366.92**

Notes:

1. Amount recognised in statement of profit and loss in respect of gratuity is 84.11 (FY 2021-22: 45.29) and in respect of leave encashment is 51.53(FY 2021-22: 101.66)

2. Represents cost accounted for the Restricted Stock Units granted to the employees of the Company by the Holding Company, Tanla Platforms Limited (formerly known as Tanla Solutions Limited).

Note 25
Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	293.97	149.71
Depreciation of Right-of-use assets (Note no 6)	274.08	272.37
Amortisation of intangible assets	1,091.00	1,429.68
Total	**1,659.05**	**1,851.76**

Note 26
Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on finance lease (refer note 6)	87.82	109.50
Other finance cost	0.03	6.82
Total	**87.85**	**116.32**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 27
Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Communication expenses	35.12	41.62
Travelling expenses	576.04	171.33
Repairs and maintenance expenses	55.50	7.54
Rent, rates and taxes	223.49	206.73
General expenses	158.69	136.61
Insurance expenses	90.26	84.23
Professional charges (refer note 1 below)	1,256.08	1,106.26
Exchange fluctuation	538.41	180.26
Bank charges	143.95	90.15
Allowance for expected credit loss	450.43	614.11
Corporate social responsibility expense (refer note 31)	324.44	138.83
Marketing expenses	313.40	243.96
Sitting fees to Independent Directors	43.00	43.00
Advertising expenses	17.06	-
Total	**4,225.86**	**3,064.63**

Note 1:
Following is the break-up of Auditors remuneration (exclusive of GST)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit	33.00	33.00
Other matters	3.00	2.50
Reimbursement of expenses	1.32	1.25
Total	**37.32**	**36.75**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 28
(a) Income tax expense

Sl No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	**Income tax expense**		
	Current tax		
	Current tax	7,566.74	7,897.59
	Prior period tax	(0.34)	(77.58)
		7,566.40	**7,820.01**
	Deferred tax		
	Deferred tax	(191.12)	(16.95)
		(191.12)	**(16.95)**
	Total income tax expense recognised in the Statement of Profit & Loss	**7,375.28**	**7,803.06**
(ii)	**Income tax expense recognised in OCI**		
	Income tax relating to items that will not be reclassified to profit or loss	(51.79)	(18.72)
	Total income tax expense recognised in OCI	**(51.79)**	**(18.72)**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (March 31 2022: 25.17%) and the reported tax expense in the statement of profit and loss is as follows:

(b) Reconciliation of effective tax rate:

S. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	**Profit before tax**	**30,682.61**	**30,814.45**
	Statutory income tax rate	25.17%	25.17%
	Tax at statutory income tax rate	**7,722.81**	**7,756.00**
(ii)	**Tax effect of:**		
	Reversal of taxes of earlier years	(0.34)	(77.58)
	Others (net)	(347.19)	124.64
	Income tax expense	**7,375.28**	**7,803.06**

(c) The following table provides the details of income tax assets and income tax liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets	13,383.60	10,165.05
Current tax liabilities	(7,587.69)	(7,919.26)
Income tax asset, net (refer note 9)	**5,795.90**	**2,245.79**

Note 29
Earnings per share
Basic earnings per share is calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity share holders of the Company	23,307.32	23,011.39
Weighted average number of equity shares for computation of Basic EPS	6,806,460	6,806,460
Weighted average number of equity shares for computation of Diluted EPS	6,806,460	6,806,460
Nominal value per share	10.00	10.00
Basic earnings per share	342.43	338.08
Diluted earnings per share	342.43	338.08

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 30
Contingent liabilities and commitments

Particulars	Note	March 31, 2023	March 31, 2022
Outstanding guarantees given by the Company	a	8,344.79	3,670.66
Claims against company, not acknowledged as debts	b, c	871.25	869.90

Note
(a) Guarantees outstanding
Total Guarantees outstanding as of March 31, 2023 amounting to 8,344.79 (March 31, 2022 – 3,670.66) have been issued by banks on behalf of the Company. These guarantees have been given by the banks to mobile operators/banks/public sector undertakings towards performance guarantee from the Company.

(d) Karix Mobile Private Limited- Income tax and GST assessments
(i) The Assessing Officer for the assessment year 2009-10 has disallowed certain expenditure on the grounds that tax was not deducted at source in accordance with Section 40(a) and income accrued is not offered to the Income-Tax Act, 1961 and demanded an additional tax of INR 93.22. The Karix Mobile Private Limited filed necessary appeals against the said demand with the Commissioner of Income-Tax (Appeals). The CIT(A) passed the order in favour of Assessee. Aggrieved by the order of CIT(A), the Department has filed an appeal with Income Tax Appellate Tribunal (ITAT). The ITAT passed the order in favour of Assessee, further the department filed an appeal with the High Court (Madras). The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities and the necessary advise received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against the Assessee is remote and accordingly no adjustments to the financial statements are considered necessary in this regard.

(ii) The Assessing officer, vide Order dated September 21, 2021, disallowed an amount of Rs. 313.59 being 30% for the expenditure of Rs. 1,045.30 in relation to SMS provision under section 40a(ia) in the absence of documentary evidence being produced towards tax deducted at source and demanded Rs.107. The Company has filed an appeal with the CIT (Appeals) and is confident that case will settled in its favour, therefore no adjustment to the financial statements are considered necessary in this regard.

(iii) Principal Commissionner of Income tax appealed against M/s Mgage india Pvt Ltd in Chennai High Court relating to AY 2013-14 regarding disallowance of payment made to foreign entities regarding usage of platform on account no TDS deducted on Rs. 220 paid as royalty. Further disallowance of Rs. 3,716.34 towards carrier payment made to foreign telephone operators, Rs. 20.75 on account of premiun content to BSNL and Rs. 12.87 towards PF. The appeal is filed by the department and pending before the high court. Information is submitted by the company and the matter is not posted. Based on consultation from the legal advisors the Company believes that the same will not result in financial impact, therefore no adjustment to the financial statements are considered necessary in this regard.

(iv) Show cause notice relating to AY 2019-20 issued by "DCIT INTL TAX 1(1) CHENNAI" stating that usage of platforms of international entities are to be treated as royalty and non deduction of TDS on the same. Notice of demand u/s 156 of the Income Tax Act, 1961 and Penalty proceedings under section 271C for non-deduction of TDS amounting to Rs. 33.00. Appeal filed by the company against the demand order during the month of January 2023, Rs. 6.67 is deposited by the company and stay order is granted by the department and given time for further hearing. Based on consultation from the legal advisors the Company believes that the same will not result in financial impact, therefore no adjustment to the financial statements are considered necessary in this regard.

(v) The GST authorities have issued notices under section 65 and section 73 of the CGST Act, 2017, for an amount aggregating to Rs. 620.13 relating to financial year 2017-18 and 2018-19, directing to furnish a reply along with supporting documents for excess availment of Input Tax Credit (ITC) in GST returns compared with the data filed by suppliers. The Company has responded by relying on various judicial pronouncements which are applicable to the matter under consideration and mentioned the fact that the ITC is availed as per section 16 of the CGST Act, 2017.

While the Madras High Court in case of in case of D.Y. Beathel Enterprises Vs State Tax Officer (Data Cell) (Madras High Court) Appeal Number: W.P.(MD) Nos. 2127 of 2021 has provided a favourable judgement with respect of taxpayers, the GST department of State of Tamil Nadu has challenged this before the Supreme Court for which final order has not been passed. The Company is confident that it will not result in financial impact.

(vi) Show cause notice has been received relating to relating to FY 2017-18 for the difference in GSTR 2A and GSTR 3B amounts to Rs. 8.65 and applied penalty and interest amounts to Rs. 9.34 against which the company has submitted reply. As a additional information GST authorities has requested for party ledger for some vendors and the order has been passed on April 04, 2022 against which GST Appeal has been filed on by the company on February 13, 2023 and pre deposit of Rs 0.86 has been paid for admission of the appeal. The legal consultants advised that the Company . Based on consultation from the legal advisors the Company believes that the same will not result in financial impact, therefore no adjustment to the financial statements are considered necessary in this regard.

Note 31
Corporate Social Responsibility
As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit of the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Details of CSR expenditure :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Gross amount required to be spent by the Company during the year	324.44	130.77
(ii) Amount of expenditure incurred	77.70	138.83
(iii) Unspent at the end of the year	-	-
(iv) Total of previous years unspent	-	-
(v) Reason for unspent	Pertains to ongoing projects	
(vi) Nature of CSR activities	Refer note 1 below	
(vii) Contribution to Related Parties/ CSR Expenditure incurred with Related Parties	NA	NA
(vii) Where a provision is made in respect to a liability incurred by entering into a contractual obligation, the movements in provision	NA	NA

Note 1: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 32
Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	8.62	1.03
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) 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 this MSMED Act;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	-	-
(e) 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 of a deductible expenditure under Section 23 of the MSMED Act.	-	-

Note: The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

Note 33
Segment Reporting
The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment' and believes that the Company has only one reportable segment namely "CPaaS service provider".

Geography-wise details of the Company's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are given below:

(i) Analysis of Company's revenues based on the location of the customers:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	174,983.28	166,826.37
Rest of the world	10,020.12	11,515.17
Total	**185,003.40**	**178,341.54**

(ii) Analysis of Company's non-current assets (property, plant and equipment, right-of-use assets, capital workin progress,goodwill, intangible assets and other non-current assets) based on the location of the assets:

Particulars	As at March 31, 2023	As at March 31, 2022
India	25,859.61	18,237.12
Rest of the world	-	-
Total	**25,859.61**	**18,237.12**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 34
Revenue from operations

(a) Revenue recognised from customer contracts

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised from customer contracts	185,003.40	178,341.54
Less: Impairment losses recognised	-	-
Total Revenue	**185,003.40**	**178,341.54**

(b) Disaggregate revenue information

The Company disaggregates the revenue from customers by types of services rendered geographically which is Primarily from A2P SMS Services and ancillary services related to A2P SMS services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Geographic revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Overseas	10,020.12	11,515.17
India	174,983.28	166,826.37
Total	**185,003.40**	**178,341.54**

(c) Movement in expected credit loss during the year

Particulars	March 31, 2023	March 31, 2022
Opening balance (A)	814.26	743.71
Additional provision/(reversal) (net)(Refer note 27)	450.43	614.11
Bad debts written off	-	(543.56)
Closing Balance (B)	**1,264.69**	**814.26**

(d) Contract balances

Following table covers the movement in contract balances during the year:	Contract Asset	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Opening balance (A)	24,662.22	16,258.01
Add/(Less):Revenue recognised during the year	185,003.40	178,341.54
Add/(Less):Progress bills raised during the year (net of adjustments)	(184,890.23)	(169,937.33)
Closing Balance (B)	**24,775.39**	**24,662.22**

Contract liabilities as at March 31, 2023 and March 31, 2022 is Nil

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 35
Financial Instruments
Fair values of financial assets and financial liabilities
The fair value of other current financial assets, cash and cash equivalents, trade receivables , trade payables, and other financial liabilities approximates the carrying amounts because of the short term nature of these financial instruments. Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for disclosure.

Fair value hierarchy
The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
•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).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Financial instruments by category
For amortised cost instruments, carrying value represents the best estimate of fair value.

Sl. No.	Particulars	Carrying value March 31, 2023	Fair Value March 31, 2023	Carrying value March 31, 2022	Fair Value March 31, 2022
(i)	**Financial Assets:**				
	Amortised cost				
	Trade Receivables	35,752.10	35,752.10	31,295.31	31,295.31
	Cash and bank balances	41,178.45	41,178.45	33,817.41	33,817.41
	Other financial assets	29,541.57	29,541.57	31,801.83	31,801.83
	Total Financial assets	**106,472.12**	**106,472.12**	**96,914.55**	**96,914.55**
(ii)	**Financial Liabilities:**				
	Amortised cost				
	Trade payables	28,595.04	28,595.04	38,736.37	38,736.37
	Lease liabilities	4,400.31	4,400.31	1,224.80	1,224.80
	Other financial liabilities	12,771.79	12,771.79	14,248.79	14,248.79
	Total Financial Liabilities	**45,767.14**	**45,767.14**	**54,209.96**	**54,209.96**

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

For financial assets measured at fair values, the carrying amounts are equal to the fair values.

Note 36
Financial risk management
The Company is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

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

(i) 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 investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk. The Company's principle source of liquidity are cash and cash equivalents and the cash flow is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements and accordingly, no risk is perceived.

(ii) 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 is denominated in a different currency from the Company’s functional currency).

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

a) Significant foreign currency risk exposure relating to financial assets and financial liabilities expressed in INR are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Trade receivables		
- USD	4,768.28	1,291.70
- EUR	215.89	297.23
- AED	4.77	12.02
- AUD	0.01	1.53
- BHD	-	-
- SGD	-	0.28
Bank accounts		
- USD	-	1,077.63
- EUR	-	337.59
Financial liabilities		
Trade payables		
- USD	7,138.40	2,482.39
- EUR	134.67	20.44
- AED	72.59	130.43
- GBP	17.69	20.32
- SGD	-	-

(b) 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 obligations, and arises principally from the Company's receivables from customers, loans and advances and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realisation risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

Trade receivables

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with the assessment and outstanding customer receivables are regularly monitored.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to 37,016.80 (March 31, 2022: 32,109.57). The movement in allowance for doubtful debts in respect of trade receivables during the year was as follows:

Allowance for doubtful debts	March 31, 2023	March 31, 2022
Opening balance	814.26	743.71
Allowance for doubtful debts	450.43	614.11
Less: Bad debts written off	-	(543.56)
Closing balance	**1,264.69**	**814.26**

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of the Company's financial liabilities:

Particulars	Carrying amount	Total	Contractual cash flows		
			Up to 1 year	From 1 to 5 years	More than 5 years
March 31, 2023					
Trade payables	28,595.04	28,595.04	28,595.04	-	-
Other financial liability	12,771.79	12,771.79	12,771.79	-	-
Lease liability	4,400.31	4,400.31	654.37	3,081.56	664.38
Total	**45,767.14**	**45,767.14**	**42,021.20**	**3,081.56**	664.38
March 31, 2022					
Trade payables	38,736.37	38,736.37	38,736.37	-	-
Other financial liability	14,248.79	14,248.79	14,248.79	-	-
Lease liability	1,224.80	1,224.80	324.48	900.32	-
Total	**54,209.96**	**54,209.96**	**53,309.64**	**900.32**	**-**

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 37

Capital Management

For the purpose of the Company's Capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity share holders. The primary objective of the Company's capital management is to maximise the shareholders value and to ensure the Company's ability to continue as a going concern. The Company has not distributed any dividend to the shareholders. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and risk characteristics of the underlying assets.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Total Borrowings	-	-
Less: Cash and cash equivalents and Bank balances other than Cash and cash equivalents	41,178.45	33,817.41
Total Surplus/(debt)	**41,178.45**	**33,817.41**
Total Equity	86,863.22	63,401.90
Gearing ratio	0%	0%

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash company with cash and bank balances and fixed deposits being far in excess of debt.

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

Note 38: Assets pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	March 31, 2023	March 31, 2022
Current assets			
Trade receivables	10	35,752.10	31,295.31
Fixed deposits	11	34,480.81	28,737.91
Total Current assets pledged as security		**70,232.91**	**60,033.22**

Note: Sanctioned limit has been secured by giving security as collateral being books debts, fixed deposits with the same bank and commerical property.

Note 39: Related Party Disclosures

A) List of Related Parties:

(i) Name of the Related Party	Country	Relationship with the Entity
Tanla Platforms Limited (formerly known as Tanla solutions limited)	India	Holding Company
Tanla Mobile Asia Pacific Pte Limited	Singapore	Fellow Subsidiary
Tanla Digital Labs Private Limited	India	Fellow Subsidiary
Gamooga Softtech Private Limited	India	Fellow Subsidiary
Tanla Digital (India) Private Limited	India	Entity under common control
Tanla Digital Labs-FZ LLC	UAE	Entity under common control
Tanla Foundation	India	Fellow Subsidiary
Tanla Digital Labs Private Limited., London,(UK) (w.e.f June 22, 2022)	United Kingdom	Entity under common control

(ii) Key Managerial Personnel

D. Uday Kumar Reddy-Non-Executive Director
Deepak Satyaprakash Goyal - Whole time Director
Dr. AG Ravindranath Reddy-Non Executive Director (Resigned w.e.f.08.09.2022)
Sanjay Baweja-Independent Director (Resigned w.e.f. 02.09.2022)
Rohit Bhasin-Independent Director
Amrita Gangotra-Independent Director
Rahul Khanna- Director (Appointed as indipendent director w.e.f.20.10.2022)
Seshanuradha Chava-Company Secretary

B) Related party transactions for the year ended March 31, 2023:

Nature of Transactions	Transactions Dr/(Cr)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Tanla Mobile Asia Pacific Pte Limited		
Receiving of Services	2,804.56	6,765.34
Rendering of Services	(2,744.38)	(1,443.66)
Tanla Platforms Limited (formerly known as Tanla Solutions Limited)		
Rendering of Services	(55,643.50)	(15,225.39)
Receiving of Services	8,853.11	56,695.43
Interest expense	-	6.87
Other income	(6.00)	(6.00)
Other advances received	3,778.86	1,357.89
Other advances repaid	(3,743.68)	(1,344.14)
Guarantees given	(13,688.67)	(3,500.00)
Gamooga Softtech Private Limited		
Rendering of Services	(987.14)	(36.14)
Receiving of Services	577.94	477.49
Tanla Digital Labs Private Limited		
Rendering of Services	6,777.77	6,335.94
Reimbursement of expenses	213.44	-
Tanla Digital (India) Private Limited		
Receiving of Services	-	160.00
Tanla Digital Labs FZ LLC		
Receiving of Services	434.79	1,670.47
Rendering of Services	(3,977.21)	
Tanla Foundation		
Amount transferred for CSR activities	77.70	19.00

Amount due to/from related parties:	As at March 31, 2023	As at March 31, 2022
Receivable balances:		
Tanla Mobile Asia Pacific Pte Limited	4,186.79	1,416.84
Gamooga Softtech Private Limited	53.60	33.08
Tanla Digital Labs FZ LLC	277.86	-
Tanla Platforms Limited	-	35.18
Tanla Digital Labs Private Limited	2,724.50	-
Payable balances:		
Tanla Mobile Asia Pacific Pte Limited	2,921.29	6,647.86
Tanla Platforms Limited	5,453.21	5,171.71
Tanla DMCC	513.08	-
Tanla Digital Labs Private Limited	-	7,599.62
Tanla Digital (India) Private Limited	172.80	160.00
Gamooga Softtech Private Limited	523.73	189.40
Tanla Digital Labs FZ LLC	3,523.78	1,411.86

C) Transactions with key management personnel

Particulars	Transactions Dr/(Cr)		Balance Outstanding Dr/(Cr)	
	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
Salaries and other employee benefits to KMP	353.49	313.38	-	-
Other benefits to non-executive directors	43.00	43.00	-	-
Total	**396.49**	**356.38**	-	-

(D) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

40. Employee Benefit Plans

The Company has following post employment benefit plans:

(a) Defined contribution plans

Contributions were made to provident fund and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the period in the statement of profit and loss towards defined contribution plan is 284.56 (March 31, 2022: 262.15).

(b) Defined benefit plan

The Company has a defined benefit gratuity plan and governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The following table summarise net benefit expense recognized in the statement of Profit and Loss, the status of funding and the amount recognised in the balance sheet for the gratuity plan.

Particulars	March 31, 2023	March 31, 2022
Net Employee Benefit Expense		
(Recognised in Employee Benefit Expense)		
Current service cost	50.15	70.21
Past service cost	-	-
Interest cost	33.96	31.45
Expected return on plan assets	-	-
Net employee benefit expense	**84.11**	**101.66**
Amount recognised in Balance Sheet		
Defined benefit obligation	327.22	497.15
Fair value of plan assets	-	-
(Asset)/Liability recognised in Balance sheet	**327.22**	**497.15**
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	497.15	456.44
Current service cost	50.15	70.21
Past service cost	-	-
Interest cost	33.96	31.45
Benefits paid	(70.23)	-
Net actuarial (gains)/losses on obligation for the year recognised under OCI	(183.82)	(60.95)
Closing defined benefit obligation	**327.21**	**497.15**
Actuarial Assumptions		
Discount Rate	7.51%	7.35%
Rate of increase in Salary	6.00%	10.00%
Expected average remaining working lives of employees (years)	26.9	26.36
Attrition Rate	26.00%	18.00%

(All amounts are in INR Lakhs, except for share data and where otherwise stated)

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:		
Impact on defined benefit obligation	**March 31, 2023**	**March 31, 2022**
Discount rate		
1% increase	316.64	473.48
1% decrease	338.63	523.35
Rate of increase in salary		
1% increase	339.08	516.16
1% decrease	315.82	478.68
Attrition rate		
1% increase	327.30	496.16
1% decrease	327.10	498.14

Maturity profile of defined benefit obligation		
Year	**March 31, 2023**	**March 31, 2022**
Apr 2023- Mar 2024	74.72	77.76
Apr 2024- Mar 2025	64.22	72.34
Apr 2025- Mar 2026	55.73	67.08
Apr 2026- Mar 2027	47.41	63.28
Apr 2027 onwards	201.82	283.21

41. Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% of Variance	Reason for Variance
(a) Current ratio	Current assets	Current liabilities	2.49	1.72	44.5%	Increase in debtors and decrease in creditors leads to increase in current ratio.
(b) Debt-equity ratio	Total debt*	Shareholders equity	NA	NA	NA	NA
(c) Debt Service Coverage ratio	Net profit after taxes+ Non-cash operating expenses +finance cost	Interest payments+Principal repayments	NA	NA	NA	NA
(d) Return on equity ratio	Net profits after taxes	Average shareholders equity	0.31	0.44	-30%	Decrease in sales and decrease in profits leads to decrease in return on equity.
(e) Trade receivables turnover ratio	Net credit sales	Average trade and unbilled receivables	3.18	3.93	-19%	Decrease in sales resulted in decrease in trade recivables turnover ratio.
(f) Trade payables turnover ratio	Cost of services+connectivity expenses+other expenses+Employee benefit expenses	Average Trade Payables and other payables towards cost of services	3.40	3.86	-12%	Decrease in trade payables resulted in decrease in trade payables turnover ratio.
(g) Net capital turnover ratio	Net sales	Working capital=Current assets-Current liabilities	2.93	4.56	-36%	Decrease in sales resulted in decrease in Net capital turnover ratio.
(h) Net profit ratio	Net profit after taxes	Net sales	0.13	0.13	-2%	Note 1
(i) Return on capital employed	Earnings before interest and taxes	Capital employed=Total equity	0.35	0.50	-30%	Decrease in sales and decrease in profits leads to decrease in return on capital employed ratio.
(j) Return on investment	Interest income	Average cash and bank balance	0.04	0.02	100%	Increase in average fixed deposits and increase in interest rates resulted in increase in return on investment ratio.

* Lease liabilities are excluded from the definition of Debt
Note 1: Since variance is not more than 25% no explanation is provided

Note 42
Previous year figures have been reclassified/regrouped wherever necessary to correspond with the current year's classification/disclosures.

Note 43
Other Statutory information
i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
ii. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
v. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
vi. The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
vii. The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
ix. The Company has been sanctioned working capital limits from Banks on the basis of security of current assets. Quarterly returns / statements are filed with such Banks are in agreement with the books of accounts.

Note 44
The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No. 214198

Place: Hyderabad
Date: April 26, 2023

For and on behalf of the Board of Directors of
Karix Mobile Private Limited
(formerly known as Tanla Corporation Private Limited)
CIN: U70100TG1998PTC054527

D. Uday Kumar Reddy
Director
DIN: 00003382

Place: Hyderabad
Date: April 26, 2023

Deepak Satyaprakash Goyal
Director
DIN: 01755263

Place: Hyderabad
Date: April 26, 2023