Tanla Digital (India) 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	575.06	613.82
(b)Financial assets			
Other financial assets	4A	0.55	-
(c) Other non-current assets	4	-	44.85
Total non-current assets		**575.61**	**613.82**
Current Assets			
(a) Financial assets			
(i) Trade receivables	5	4,224.67	350.90
(ii) Cash and cash equivalents	6	302.54	127.08
(iii) Other financial assets	7	1,015.44	290.32
(b) Other current assets	4	183.00	43.86
Total current assets		**5,725.65**	**812.16**
TOTAL ASSETS		**6,301.26**	**1,470.83**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	1.00	1.00
(b) Other equity	9	1,622.11	24.99
Total equity		**1,623.11**	**25.99**
Non current liabilities			
Deferred tax liabilty	10A	38.96	-
		38.96	**-**
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	10B		
a) total outstanding dues of micro and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,257.72	547.56
(ii) Other financial liabilities	11	1,130.79	888.97
(b) Income tax liabilities, net	12	250.67	8.31
Total current liabilities		**4,639.18**	**1,444.84**
Total Liabilities		**4,678.14**	**1,444.84**
TOTAL EQUITY AND LIABILITIES		**6,301.26**	**1,470.83**

The accompanying notes form an integral part of the financial statements 1-28

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
Tanla Digital (India) Private Limited
CIN: U72900TG2021PTC152756

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

Viswanathan Aravind
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023

Tanla Digital (India) 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 period July 02 2021 to March 31, 2022
Income			
I. Revenue from operations	13A	5,535.23	738.80
II.Other income	13B	18.04	-
II. Total Income		**5,553.27**	**738.80**
III. Expenses			
Cost of Services	14	3,189.71	696.78
Connectivity and related expenses	15	0.85	0.58
Depreciation	3	102.83	-
Other expenses	16	125.31	8.14
Total expenses (III)		**3,418.70**	**705.50**
IV. Profit before tax (II - III)		**2,134.57**	**33.30**
V. Tax expense:			
Current tax		498.42	8.31
Deferred tax	17	38.96	-
Prior period tax		0.07	-
Total tax expense (V)		**537.45**	**8.31**
VI. Profit for the period (IV-V)		**1,597.12**	**24.99**
VII. Other comprehensive income		-	-
VIII. Total Comprehensive income for the period (VI+ VII)		**1,597.12**	**24.99**
IX. Earnings per equity share of par value, Rs. 10 each			
1. Basic (Rs.)	18	15,971.24	334.09
2. Diluted (Rs.)		15,971.24	334.09

The accompanying notes form an integral part of the financial statements 1-28

As per our report of even date attached
For M S K A & Associates
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Tanla Digital (India) Private Limited
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DIN: 08036024

Place: Hyderabad
Date: April 26, 2023

Tanla Digital (India) 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	For the period March 31, 2023	For the period March 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before tax	**2,134.57**	**33.30**
	Adjustments for :		
	Exchange fluctuation	97.52	0.76
	Depreciation	102.83	-
	Interest Income	(18.04)	-
	Operating profit before working capital changes	**2,316.88**	**34.06**
	Changes in current assets and liabilities		
	(Increase)/Decrease in trade receivables	(3,873.77)	(351.66)
	(Increase)/Decrease in financial and non-financial assets	(833.74)	(379.03)
	Increase/(Decrease) in financial and non-financial liabilities	241.82	888.97
	Increase/(Decrease) in trade payables	2,710.16	547.56
	Cash generated from operations	**561.35**	**739.90**
	Income taxes paid	(339.86)	-
	Net cash generated from operating activities	**221.49**	**739.90**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Interest income received	18.04	-
	Purchase of property, plant and equipment	(64.06)	(613.82)
	Net cash used in investing activities	**(46.03)**	**(613.82)**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issue of equity shares	-	1.00
	Net cash generated from financing activities	**-**	**1.00**
D	**Net increase / (decrease) in Cash and cash equivalents (A)+(B)+(C)**	175.45	127.08
E	**Cash and cash equivalents at the beginning of the year**	127.08	-
F	**Cash and cash equivalents at the end of the year** (refer note 6)	**302.53**	**127.08**

The accompanying notes form an integral part of the financial statements: 1-29

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
Tanla Digital (India) Private Limited
CIN: U72900TG2021PTC152756

Amit Kumar Agarwal
Partner
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D. Uday Kumar Reddy
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Director
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Place: Hyderabad
Date: April 26, 2023

Place: Hyderabad
Date: April 26, 2023

Place: Hyderabad
Date: April 26, 2023

Tanla Digital (India) 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	8	10,000	1.00	-	-
Add: Shares issued during the year				10,000	1.00
Closing balance		**10,000**	**1.00**	**10,000**	**1.00**

B. Other Equity

Particulars	Note	Reserves & Surplus	Items of OCI	Total
		Retained earnings	Remeasurement of the net defined benefit Plans	
Balance as at April 01, 2021		**-**	**-**	**-**
Profit for the period, July 02, 2021 to March 31, 2022		24.99	-	24.99
Other comprehensive income (net of tax)		-	-	-
Balance as at March 31, 2022		**24.99**	**-**	**24.99**
Balance as at April 01, 2022				
Profit for the period March 31, 2023	9	**1,597.12**	**-**	**1,597.12**
Balance as at March 31, 2023				**1,622.11**

The accompanying notes form an integral part of the financial statements: 1-28

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

For and on behalf of the Board of Directors of
Tanla Digital (India) Private Limited
CIN: U72900TG2021PTC152756

Amit Kumar Agarwal
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Membership No: 214198

Place: Hyderabad
Date: April 26, 2023

D. Uday Kumar Reddy
Director
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Place: Hyderabad
Date: April 26, 2023

Viswanathan Aravind
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023

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

1 General Information

Tanla Digital (India) Private Limited ("Tanla" or "the Company") was incorporated on July 02, 2021 and is into A2P messaging platform provider globally. The Company has its headquarters and development facilities in Hyderabad, India and serves a global customer base. Tanla develops and delivers cutting-edge technology and products which meet the discerning needs of a diverse clientele, from enterprises to carriers across geographies.

2 Significant accounting policies

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 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, issued by Ministry of Corporate Affairs ('MCA').

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 the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date March 31, 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 assets / (liability) are measured at fair value of plan assets, less present 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 noncurrent classification of assets and liabilities.

(c) **Use of estimates**

The preparation of these financial statements in conformity with Ind AS requires the Management to make estimates 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 consolidated 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.

Information about significant areas of estimation uncertainty and critical judgments 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;
— 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	Useful Life (Years)
Platforms & Deployments	6 years
Vehicles	6 years

Based on the technical 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, the residual value of assets are not more than 5% of original cost the asset.

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 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's 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.

2.5 Impairment of non-financial assets

The carrying amounts of the Company's tangible 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 groups 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.

2.6 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes has occurred
Further information about the assumptions made in measuring fair values is included in the Notes to accounts.

2.7 Revenue Recognition

The Company derives revenues primarily from Messaging services (A2P) and International Long Distance.

(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 submitted/delivered on a fixed price, fixed-time frame contracts where there is no uncertainty as to measurement of 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 unbilled revenue.

2.8 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.

2.9 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 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 this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.10 Cash and cash equivalents

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

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

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby Profit / (loss) before exceptional items and income tax 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 revenue generating, investing and financing activities of the Company are segregated.

2.12 Financial instruments

Initial Recognition and measurement

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

(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 revenue 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 recognised 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.

(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.

2.13 Provisions, contingent liabilities and contingent assets

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 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.15 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, 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.

(i) 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.

2.16 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.

2.17 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.

(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.

Tanla Digital (India) 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 4
Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with revenue authorities*	-	44.85
Total	**-**	**44.85**
* Comprises of tax deducted at source on behalf of the Company.		

Note 4A
Other financial assets- non current

Particulars	As at March 31, 2023	As at March 31, 2022
Interest receivable	0.55	-
Total	**0.55**	**-**

Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with revenue authorities*	183.00	43.86
Total	**183.00**	**43.86**
* Comprises of Goods and service tax input credit.		

Note 5

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Unsecured		
Trade receivables-considered good	4,224.67	350.90
Less: Allowances for expected credit loss	-	-
Trade receivables-considered impaired	-	-
Less: Allowances for expected credit loss	-	-
Total	**4,224.67**	**350.90**

Note:
1. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor from firms or private companies respectively in which any director is a partner, or director or a member.

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	139.20	4,085.47	-	-	-	4,224.67
Credit impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**139.20**	**4,085.47**	**-**	**-**	**-**	**4,224.67**
Less: Allowance for expected credit loss	-	-	-	-	-	-
Balance at the end of the year	**139.20**	**4,085.47**	**-**	**-**	**-**	**4,224.67**

As at March 31, 2022

Particulars	Outstanding for following periods from date of invoice					
	Less than 6	6 months -	1-2 years	2-3 years	More than 3	Total
Undisputed trade receivables:						

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

Considered good	350.90	-	-	-	-	350.90
Credit impaired		-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**350.90**	**-**	**-**	**-**	**-**	**350.90**
Less: Allowance for expected credit loss	-	-	-	-	-	-
Balance at the end of the year	**350.90**	**-**	**-**	**-**	**-**	**350.90**

Note 6
Cash and cash equivalents

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(a) Balances with banks		
Current accounts	52.54	127.08
'Deposits account	250.00	-
Total	**302.54**	**127.08**

Note 7
Other financial assets-current

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(a) Accrued income*	1,015.44	290.32
Total	**1,015.44**	**290.32**

* Refer note 26 for amount due from related parties

Tanla Digital (India) 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/ Adjustments	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										
Computers and Servers	613.82	33.12		646.94	-	101.10	-	101.10	545.84	613.82
Vehicles		30.94		30.94		1.72		1.72	29.22	
Total	**613.82**	**64.06**	**-**	**677.88**	**-**	**102.83**	**-**	**102.82**	**575.06**	**613.82**

Note 3: Property, plant and equipment

	Gross carrying amount				Depreciation				Net carrying amount
	As at April 01, 2021	Additions/ Adjustments	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
Owned assets									
Platforms & Deployments (note 1)	-	613.82	-	613.82	-	-	-	-	613.82
Total	**-**	**613.82**	**-**	**613.82**	**-**	**-**	**-**	**-**	**613.82**

Note 1: Represents servers capitalised on March 31, 2022 and hence no depreciation is recognised for the period July 02, 2021 to March 31, 2022.

Tanla Digital (India) 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 8: Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Authorised 100,000 equity shares of Rs. 10/- each	10.00	10.00
(ii) Issued, Subscribed and fully paid up: 10,000 equity shares of Rs. 10/- each	1.00	1.00
Total	1.00	**1.00**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	10,000	1.00	-	-
Add: Issued and allotted during the year	-	-	10,000	1.00
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**10,000**	**1.00**	**10,000**	**1.00**

ii) Rights, preferences and restrictions attached to the equity shares:
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. 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) The details of shareholder holding more than 5% of the aggregate shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Tanla Digital Labs Private Limited	9,999	99.99%	9,999	99.99%

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

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

vi) Tanla Digital Labs Private Limited is the holding Company of Tanla Digital (India) Private Limited and there has been no change in the shareholding during the financial year 2022-23. Tanla Platforms Limited is the ultimate Holding Company of Tanla Digital Labs Private Limited.

Note 9
Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Retained earnings	24.99	-
Opening balance		
Profit for the year	1,597.12	24.99
Closing balance	**1,622.11**	**24.99**

Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance		
Add: Profit for the period March 31, 2023	1,597.12	24.99
Closing balance	**1,597.12**	**24.99**

Tanla Digital (India) 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 10A
Deferred tax liability

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability	38.96	-
Total	**38.96**	**-**

Note 10B
Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Due to micro and small enterprises		-
Due to creditors other than micro and small enterprises	3,257.72	547.56
Total	**3,257.72**	**547.56**

Notes:
1. Refer note 22 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 20.
4. Refer note 26 for amounts payable to related parties.

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	0.12	-	-	-	0.12
ii) Others	3,257.60	-	-	-	3,257.60
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-
Total	**3,257.72**	**-**	**-**	**-**	**3,257.72**

Trade payables ageing schedule
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	-	-	-	-	-
ii) Others	547.56	-	-	-	547.56
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
v) Unbilled dues	-	-	-	-	-
Total	**547.56**	**-**	**-**	**-**	**547.56**

Note 11
Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to related parties (refer note 26)	749.32	738.72
Other payable - Cost of services	381.48	150.25
Total	**1,130.79**	**888.97**

Note 12
Income tax liabilities, net

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax	250.67	8.31
Total	**250.67**	8.31

Tanla Digital (India) 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)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Note 13A		
Revenue from operations		
Sale of services (refer note 25)	5,535.23	738.80
Total	**5,535.23**	**738.80**
Note 13B		
Other income		
Interest income	18.04	-
Total	**18.04**	**-**
Note 14		
Cost of Services		
Cost of Services	3,189.71	696.78
Total	**3,189.71**	**696.78**
Note 15		
Connectivity and related expenses		
Data centre and hosting charges	0.85	0.58
Total	**0.85**	**0.58**
Note 16		
Other expenses		
Rent, rates & taxes	12.33	0.36
General expenses	-	0.52
Repairs and maintenance	0.10	
Insurance expense	0.84	
Professional charges (Refer Note 1 below)	14.52	6.50
Exchange fluctuation	97.52	0.76
Total	**125.31**	**8.14**

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

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Statutory audit	6.50	6.50
Reimbursement of expenses	0.28	-
Total	**6.78**	**6.50**

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

Note 17
(a) Income tax expense

Sl No.	Particulars	As at March 31, 2023	For the period ended July 02, 2021 to March 31, 2022
(i)	**Income tax expense**		
	Current tax		
	Current tax	498.42	8.31
	Deferred tax	38.96	
	Prior period tax	0.07	
	Total income tax expense recognised in the Statement of Profit and Loss	**537.45**	**8.31**
(ii)	**Income tax expense recognised in OCI**	-	-
	Income tax relating to items that will not be reclassified to profit or loss	-	-
	Total income tax expense recognised in OCI	**-**	**-**

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% and the reported tax expense in the statement of profit and loss is as follows:

(b) Reconciliation of effective tax rate:

S. No.	Particulars	As at March 31, 2023	For the period ended July 02, 2021 to March 31, 2022
(i)	**Profit before tax**	**2,134.57**	**33.30**
	Statutory income tax rate	25.17%	25.17%
	Tax at statutory income tax rate	**537.27**	**8.38**
(ii)	**Tax effect of:**		
	Others adjustments	0.18	(0.07)
	Income tax expense	**537.45**	**8.31**

Note 18
Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) for the year attributable to equity share 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

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

Particulars	As at March 31, 2023	For the period July 02, 2021 to March 31, 2022
Profit after tax	**1,597.12**	**24.99**
Number of equity shares at the beginning of the year	-	-
Add: Issue of equity shares	10,000	10,000
Number of equity shares at the end of the year	10,000	10,000
Weighted average number of equity shares	**10,000**	**7,479**
Weighted average number of equity shares for computation of Basic and Diluted EPS	10,000	7,479
Nominal value per share (Rs.)	10.00	10.00
Basic earnings per share (Rs.)	15,971.24	334.09
Diluted earnings per share (Rs.)	15,971.24	334.09

Note 19
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 and other financial assets.

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.

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

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

S. No.	Particulars	Carrying value As at March 31, 2023	Fair Value As at March 31, 2023	Carrying value As at March 31, 2022	Fair Value As at March 31, 2022
(i)	**Financial Assets:**				
	Amortised cost				
	Trade Receivables	4,224.67	4,224.67	350.90	350.90
	Cash and bank balances	302.54	302.54	127.08	127.08
	Other financial assets	1,015.44	1,015.44	290.32	290.32
	Total Financial assets	**5,542.65**	**5,542.65**	**768.30**	**768.30**
(ii)	**Financial Liabilities:**				
	Amortised cost				
	Trade payables	3,257.72	3,257.72	547.56	547.56
	Other financial liabilities	1,130.79	1,130.79	888.97	888.97
	Total Financial Liabilities	**4,388.51**	**4,388.51**	**1,436.53**	**1,436.53**

The carrying amounts of trade receivables, other financial assets, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Note 20
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) 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). The Company invoices customers and vendors operating outside India and is exposed to foreign currency rate risk through its operating activates.

Particulars	AED	USD	EURO	SGD	GBP
As at March 31, 2023					
Financial assets					
Trade Receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Financial liabilities					
Trade payables	-	3,257.72	-	-	-
Total	**-**	**3,257.72**	**-**	**-**	**-**

Particulars	AED	USD	EURO	SGD	GBP
As at March 31, 2022					
Financial assets					
Trade Receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Financial liabilities					
Trade payables	-	547.56	-	-	-
Total	**-**	**547.56**	**-**	**-**	**-**

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's 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 generated from operations. The Company believes that the working capital is sufficient to meet its current requirements and accordingly, no risk is perceived.

(b) 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	Due in 1 year	1 - 2 years	3-5 years	> 5 years
As at March 31, 2023				
Financial Liabilities				
Trade Payables	3,257.72	-	-	-
Other financial liabilities	1,130.79	-	-	-
Total	**4,388.51**	**-**	**-**	**-**

Particulars	Due in 1 year	1 - 2 years	3-5 years	> 5 years
As at March 31, 2022				
Financial Liabilities				
Trade Payables	547.56	-	-	-
Other financial liabilities	888.97	-	-	-
Total	**1,436.53**	**-**	**-**	**-**

(c) 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.

Trade receivables
The customer's credit risk is managed by an 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 Rs.Nil (2021-22 is Rs.Nil). The movement in allowance for doubtful debts in respect of trade receivables during the period was as follows:

Allowance for doubtful debts	**March 31, 2023**	**March 31, 2022**
Opening balance	-	-
Allowance for doubtful debts	-	-
Less: Reversed on collection from the customers	-	-
Less: Bad debts written off	-	-
Closing balance	**-**	**-**

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

Note 21
Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. Total capital is the equity as shown in the statement of financial position. The Company primarily monitors its capital structure on the basis of the following gearing ratio. Management is continuously evolving strategies to optimise the returns and reduce the risks. It includes plans to optimise the financial leverage of the Company.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Total Borrowings	-	-
Less: Cash and cash equivalents	302.54	127.08
Total Surplus/(debt)	**302.54**	**127.08**
Total Equity	1,623.11	25.99
Gearing ratio	0%	0%

Note 22

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	-	-
- 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.

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

Note 23
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 customers and its non-current assets are given below:

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

Particulars	As at March,31 2023	As at March,31 2022
India	5,535.23	738.80
Rest of the world	-	-
Total	**5,535.23**	**738.80**

(ii) Analysis of Company’s non-current assets (property, plant and equipment and other non-current assets) based on the location of the assets:

Particulars	As at March,31 2023	As at March 31, 2022
India	575.61	658.67
Rest of the world	-	-
Total	**575.61**	**658.67**

Tanla Digital (India) 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 24
Revenue from operations

(a) Revenue recognised from customer contracts

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue recognised from customer contracts	5,535.23	738.80
Less: Impairment losses recognised	-	-
Total Revenue	**5,535.23**	**738.80**

(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	As at March 31, 2023	As at March 31, 2022
Overseas	-	-
India	5,535.23	738.80
Total	**5,535.23**	**738.80**

(c) Movement in expected credit loss during the period:

Particulars	March 31, 2023	March 31, 2022
Opening balance (A)	-	-
Additional provision/(reversal) (net)	-	-
Write off as bad debts	-	-
Closing Balance (B)	**-**	**-**

(d) Contract balances
Following table covers the movement in contract balances during the period:

	Contract Asset	Contract Asset
Particulars	**March 31, 2023**	**March 31, 2022**
Opening balance (A)	290.32	-
Add/(Less):Revenue recognised during the year	5,535.23	738.80
Add/(Less):Progress bills raised during the year (net of adjustments)	(4,810.11)	(448.48)
Closing Balance (B)	**1,015.44**	**290.32**

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

Tanla Digital (India) 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 25: Related Party Disclosures

A) List of Related Parties:
(i) Name of the Related Party

Name of the Related Party	Country of Incorporation	Relationship
Tanla Platforms Limited	India	Ultimate Holding Company
Tanla Digital Labs Private Limited	India	Holding Company
Tanla Mobile Asia Pacific Pte Limited	Singapore	Entity under common control
Karix Mobile Private Limited	India	Entity under common control
Tanla Digital Labs FZ-LLC	UAE - Dubai	Entity under common control
Tanla Foundation	India	Entity under common control
Gamooga Softtech Private Limited	India	Entity under common control
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- Director
D. Tanuja Reddy-Director(Resigned w.e.f. 27/03/2023)
Viswanathan Aravind(Appointed w.e.f.13/03/2023)
B) Related party Transactions:

Nature of Transactions	Transactions Dr/Cr	Transactions Dr/Cr
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Karix Mobile Private Limited		
Sale of services	-	(160.00)
Tanla Digital FZ LLC		
Sale of services	(1,976.95)	-
Tanla Digital Labs Private Limited		
Sale of services	(976.51)	-
Reimbursement of expenses	-	600.88
Tanla Platforms Limited		
Rent expense	0.48	0.36
Other advance given/(taken)	7.77	137.48
Tanla Mobile Asia Pacific Pte Limited		
Sale of services	(136.52)	547.46

Particulars	Outstanding as at March 31, 2023-Dr/(Cr)	Outstanding as at March 31, 2022-Dr/(Cr)
Karix Mobile Private Limited		
Trade receivables	172.80	160.00
Tanla Digital Labs Private Limited		
Other financial liabilities	(1,187.89)	(595.27)
Tanla Platforms Limited		
Other financial liabilities	(146.15)	(137.87)
Tanla Mobile Asia Pacific Pte Limited		
Trade payables	894.03	(547.46)
Tanla Digital FZ LLC		
Trade receivables	(1,855.70)	-

Tanla Digital (India) 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)

26. Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Variance Reasons
(a) Current ratio	Current assets	Current liabilities	1.23	0.56	119.56%	Increase in sales leads to increase in debtors resulted in increase current ratio
(b) Debt-equity ratio	Total debt	Shareholders equity	NA	NA	NA	Note 1
(c) Debt Service Coverage ratio	Net profit after taxes+ Non-cash operating expenses +finance cost	Interest payments+Principal repayments	NA	NA	NA	Note 1
(d) Return on equity ratio	Net profits after taxes	Average shareholders equity	0.98	0.96	2.33%	Note 1
(e) Trade receivables turnover ratio	Net sales	Average trade and unbilled receivables	1.06	1.15	-8.32%	Increase in collections and decrease in Accrued income leads to reduction in trade receivable turnover ratio
(f) Trade payables turnover ratio	Cost of services+connectivity expenses+other expenses	Average Trade Payables and other payables towards cost of services	0.91	1.01	-9.88%	Payments o trade creditors and decrease in unbilled cost resulted in decrease in trade payables ratio
(g) Net capital turnover ratio	Net sales	Working capital=Current assets-Current liabilities	5.09	-1.17	-536.29%	Increase in turnover by 650% resulted in positive working capital ratio
(h) Net profit ratio	Net profit after taxes	Net sales	0.29	0.03	753.09%	Increase in turnover by 650% resulted in positive working capital ratio
(i) Return on capital employed	Earnings before interest and taxes	Capital employed=Total equity	1.32	1.28	2.64%	Note 1
(j) Return on investment	Interest income	Average fixed deposits	NA	NA	NA	Note 1

Note 1: Since varianace is not more 25% hence no explanation is provided

27. 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 wilful 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 Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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).

28. 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

For and on behalf of the Board of Directors of
Tanla Digital (India) Private Limited
CIN: U72900TG2021PTC152756

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

Viswanathan Aravind
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023