Tanla Digital Labs 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	11,345.55	13.14
(b) Intangible assets	4	8,627.11	4,529.50
(c) Intangible assets under development	5A	5,656.45	4,022.76
(d) Right-of-use assets	6	3,337.36	3,616.09
(e) Capital work in progress	5B	-	1,156.93
(f) Financial assets			
(i) Investments	7A	1.00	1.00
(ii) Other financial assets	7B	157.54	260.86
(g) Deferred tax assets (net)	8	595.15	445.54
(h) Other non-current assets	9	622.50	413.22
Total non-current assets		**30,342.66**	**14,459.04**
Current assets			
(a) Financial assets			
(i) Trade receivables	10	3,536.84	10,201.75
(ii) Cash and cash equivalents	11	616.96	833.82
(iii) Other financial assets	12	1,408.03	1,720.70
(b) Other current assets	13	1,364.41	131.63
Total current assets		**6,926.24**	**12,887.90**
TOTAL ASSETS		**37,268.90**	**27,346.94**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	5.00	5.00
(b) Other equity	15	12,951.26	5,364.17
TOTAL EQUITY		**12,956.26**	**5,369.17**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Lease liabilities	16	3,269.83	3,491.97
(b) Provisions	17	63.67	36.30
Total non-current Liabilities		**3,333.50**	**3,528.27**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
a) total outstanding dues of micro and small enterprises	18	342.00	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		6,680.72	3,156.92
(ii) Lease liabilities	16	540.04	501.77
(iii) Other financial liabilities	19	1,282.19	410.85
(iv) Loan from related party	21	11,331.96	11,750.17
(b) Other current liabilities	20	17.94	1,460.89
(c) Provisions	17	12.77	0.94
(d) Income tax liabilities, net		771.51	1,167.96
Total current liabilities		**20,979.13**	**18,449.50**
TOTAL EQUITY AND LIABILITIES		**37,268.90**	**27,346.94**

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
Tanla Digital Labs Private Limited
CIN:U72900TG2019PTC137708

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

Aravind Viswanathan
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023

Tanla Digital Labs 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	22	12,686.95	10,557.83
II. Other income	23	379.37	5.23
III. Total Income (I+II)		**13,066.31**	**10,563.07**
IV. Expenses			
Cost of services	24	119.99	505.54
Employee benefits expense	25	485.22	1,575.14
Depreciation and amortisation expense	26	1,729.67	715.28
Finance costs	27	868.44	574.12
Other expenses	28	868.53	508.23
Total expenses (IV)		**4,071.84**	**3,878.31**
V. Profit/(loss) before tax (III - IV)		**8,994.47**	**6,684.76**
VI. Tax expense:			
Current tax	29	1,571.51	1,167.96
Deferred tax		406.63	(125.44)
Prior Period tax		(34.63)	-
MAT credit		(554.19)	(405.00)
Total Tax expense		**1,389.32**	**637.52**
VII. Profit for the year (V-VI)		**7,605.15**	**6,047.24**
VIII. Other comprehensive income/(Loss)			
(I) Items that will not be reclassified to profit or (loss)			
Remeasurement of the net defined benefit asset/liability	15	(20.12)	27.38
Income tax relating to items that will not be reclassified to profit or loss		2.05	(4.83)
Total Other comprehensive income/(loss), net of taxes		**(18.07)**	**22.55**
IX. Total Comprehensive income for the year (VII+VIII)		**7,587.08**	**6,069.79**
X. Earnings per equity share of par value, Rs. 10 each			
1. Basic	30	15,210.30	12,094.48
2. Diluted		15,210.30	12,094.48

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
Tanla Digital Labs Private Limited
CIN:U72900TG2019PTC137708

Amit Kumar Agarwal
Partner
Membership No. 214198

D Uday Kumar Reddy
Director
DIN : 00003382

Aravind Viswanathan
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023

Place: Hyderabad
Date: April 26, 2023

Place: Hyderabad
Date: April 26, 2023

Tanla Digital Labs 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 year ended March 31, 2023	For the year ended March 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(loss) before taxes	**8,994.47**	**6,684.76**
	Adjusted for		
	Finance costs	868.44	574.12
	Depreciation and amortisation expense	1,729.67	715.28
	Exchange fluctuation	(292.24)	-
	Operating profit/(loss) before working capital changes	**11,300.34**	**7,974.16**
	Working capital changes		
	(Increase)/Decrease in trade receivables	6,664.90	(10,200.85)
	(Increase)/Decrease in financial and non-financial assets	(551.14)	(913.64)
	Increase/(Decrease) in financial and non-financial liabilities	(532.42)	1,022.83
	Increase/(Decrease) in trade payables	3,865.81	3,156.92
	Cash generated from/(used in) operations	**20,747.49**	**1,039.42**
	Income taxes (paid)/received, net	(2,513.64)	4.83
	Net cash generated from/(used in) operating activities	**18,233.85**	**1,044.25**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment, intangibles and capital work-in-progress and Right of use assets	(16,002.87)	(3,339.19)
	Investment in Subsidary	-	(1.00)
	Expenditure on intangible assets under development	(1,633.69)	(3,384.09)
	Net cash used in investing activities	**(17,636.56)**	**(6,724.28)**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Loan from Holding Company	(418.22)	6,680.13
	Movement in lease liabilities, net	472.50	377.60
	Interest paid	(868.44)	(574.12)
	Net Cash generated from financing activities	**(814.16)**	**6,483.61**
D	**Net increase / (decrease) in Cash and cash equivalents**	(216.85)	803.59
E	**Cash and cash equivalents at the beginning of the year**	833.82	30.23
F	**Cash and cash equivalents at the end of the year** (refer note 11)	**616.96**	**833.82**

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
Tanla Digital Labs Private Limited
CIN:U72900TG2019PTC137708

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

Aravind Viswanathan
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023

Tanla Digital Labs 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	50,000	5.00	50,000	5.00
Add: Shares issued during the year		-	-	-	-
Closing balance		**50,000**	**5.00**	**50,000**	**5.00**

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		**(697.26)**	**(8.36)**	**(705.62)**
Profit for the year	15	6,047.24	-	6,047.24
Other comprehensive income (net of tax)		-	22.55	22.55
Balance as at March 31, 2022		**5,349.98**	**14.19**	**5,364.17**
Balance as at April 01, 2022		**5,349.98**	**14.19**	**5,364.17**
Profit for the year		7,605.15	-	7,605.15
Other comprehensive income (net of tax)		-	(18.07)	(18.07)
Balance as at March 31, 2023		**12,955.13**	**(3.88)**	**12,951.26**

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
ICAI Firm Regn. No. 105047W

For and on behalf of the Board of Directors of
Tanla Digital Labs Private Limited
CIN:U72900TG2019PTC137708

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

Aravind Viswanathan
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023

1 General Information

Tanla Digital Labs Private Limited (the "Company") is a private limited Company domiciled in India and incorporated on December 18, 2019 under the provisions of the Companies Act, 2013 applicable in India. The Company has been granted approval for setting up a SEZ unit in Raheja Mindspace, Hi-Tech City, Hyderabad-500081 and is to focus on innovation and development of new products and solutions using state of art technology business.

2A 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

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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 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 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 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 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 judgments.

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 standalone 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 (Years)	Useful Life (Years)
Computers	3-6 years	3-6 years
Office Equipment	5 years	5 years
Furniture & Fittings	10 Years	6 Years
Lease Hold Improvements*	Over lease period	Over lease period

*Lease hold improvements are amortized over lease period,whuch corresponds with the useful lives of the assets.

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 under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate,residual value of the asset is/are is not more than 5% of original cost.

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	6 years

2.5 Intangible Assets under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

2.6 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.

2.7 Revenue Recognition

The Company derives revenues primarily from Messaging services (A2P).

a) 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.
b) Revenue from messaging services is recognised based on the number 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.
c) 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 ,deferred tax and MAT 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 Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise balance with bank. For the purposes of the cash flow statement, cash and cash equivalents includes cash at banks.

2.13 Cash flow Statement

Cash flows are reported using the indirect method, whereby net profit before 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.

2.14 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

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 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 recognized initially at fair value and, in the case of borrowings and 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. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(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.

2.15 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 lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's 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.

(iii) **Leave Encashment**:The company has Defined Benefit Plans for employment benefits in the form of Leave Enachment Liability for Defined Benefit Plans is provided on the basis of actuarial valuation of the liability as at the Balance Sheet date. The valuation of the Plan was performed in accordance with generally accepted actuarial principles and procedures.

2.16 Provisions, contingent liabilities and contingent assets

Provisions are recognized 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 recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

2.17 Exceptional Items

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

2.18 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. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year.

2B 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.

2C 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)

This is a funded defined benefit plan. The Company has defined benefit plans for post employment benefits in the form of gratuity. Liability for Defined Benefit Plans is provided on the basis of actuarial valuation of the liability, as at the Balance Sheet date. The valuation of the Plan was performed in accordance with generally accepted actuarial principles and procedures.

(b) Defined benefit plans (Leave Encashment)

The Company has Defined Benefit Plans for employment benefits in the form of leave enachment. Liability for Defined Benefit Plans is provided on the basis of actuarial valuation of the liability as at the Balance Sheet date. The valuation of the Plan was performed in accordance with generally accepted actuarial principles and procedures.

(c) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management’s judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

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:

(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.

Tanla Digital Labs 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											
Computers	38.90	3,310.85	-	3,349.75	25.76	113.75	-	139.51	-	3,210.24	13.14
Lease Hold Imrovements	-	6,129.74	-	6,129.74	-	59.01	-	59.01		6,070.73	-
Furniture and Fittings	-	2,021.85	-	2,021.85	-	16.42	-	16.42		2,005.43	-
Office Equipments	-	59.63	-	59.63	-	0.48	-	0.48		59.15	-
Total	**38.90**	**11,522.07**	**-**	**11,560.96**	**25.76**	**189.67**	**-**	**215.42**		**11,345.55**	**13.14**

	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										
Computers	45.42	-	6.52	38.90	4.84	20.92	-	25.76	13.14	40.58
Total	**45.42**	**-**	**6.52**	**38.90**	**4.84**	**20.92**	**-**	**25.76**	**13.14**	**40.58**

Note: Refer note no 2.3 for accounting policy

Note 4: Intangible Assets

	Gross carrying amount				Amortisation				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	5,320.31	5,603.80	-	10,924.12	790.81	1,506.20	-	2,297.01	8,627.11	4,529.50
Total	**5,320.31**	**5,603.80**	**-**	**10,924.12**	**790.81**	**1,506.20**	**-**	**2,297.01**	**8,627.11**	**4,529.50**

	Gross carrying amount				Amortisation				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	3,131.53	2,188.78	-	5,320.31	96.45	694.36	-	790.81	4,529.50	3,035.08
Total	**3,131.53**	**2,188.78**	**-**	**5,320.31**	**96.45**	**694.36**	**-**	**790.81**	**4,529.50**	**3,035.08**

Note: Refer note no 2.4 for accounting policy

Note 5A: Intangible assets under development

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	4,022.76	638.67
Add: Additions during the year	7,237.49	5,572.87
Less: Capitalisations during the year	(5,603.80)	(2,188.78)
Balance at the end of the year	**5,656.45**	**4,022.76**

Intangible assets under development ageing schedule

Balance as at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	5,355.38	184.07	117.00	-	5,656.45

Balance as at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	3,905.76	117.00	-	-	4,022.76

Note: Intangible assets under development represents platforms under development being internally developed, whose cost includes Salaries and wages and Professional consultancy charges, attributable to the development.

Note 5B: Capital work in progress

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,156.93	-
Add: Additions during the year	-	1,156.93
Less: Capitalisations during the year	(1,156.93)	-
Balance at the end of the year	**-**	**1,156.93**

Capital work in progress ageing schedule

Balance as at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in progress	-	-	-	-	-

Balance as at March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in progress	1,156.93	-	-	-	1,156.93

Tanla Digital Labs 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 7A
Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current financial investments		
Investments in unquoted equity shares (fully paid up, carried at amortised cost (net of impairment) unless stated otherwise)		
In Subsidiary (carried at cost, net of impairment)		
Tanla Digital (India) Private Limited, India		
10,000 (March 31, 2022: 10,000) equity shares of Rs. 10 each	1.00	1.00
Total	**1.00**	**1.00**

Aggregate value of unquoted investments	1.00	1.00
Aggregate value of impairment/(reversal) in value of investments	0.00	0.00

Note 7B
Other financial assets-Non-current

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits*	157.54	260.86
Total	**157.54**	**260.86**

* The exposure to credit risk is disclosed in Note 33.

Note 8
Deferred tax Asset (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset (net)	595.15	445.54
Total	**595.15**	**445.54**

Deferred tax relates to the following:

Particulars		As at April 1, 2022	Recognised in Profit & Loss	Recognised in OCI	Others	As at March 31, 2023
Deferred tax assets						
On Unabsorbed Losses		255.87	-	-	-	255.87
On Provision for employee benefits		27.53	(20.51)	(2.05)	-	50.09
On MAT		405.00	(554.19)	-		959.19
Subtotal	**(A)**	**688.40**	**(574.70)**	**(2.05)**	**-**	**1,265.14**
Deferred tax liabilities						
On property, plant and equipment		(242.87)	(427.14)	-	(34.62)	(704.63)
On remeasurements of defined benefit obligations						-
Subtotal	**(B)**	**(242.87)**	**(427.14)**	**-**	-	**(704.63)**
Deferred tax asset, net	**(A+B)**	**445.54**	(147.56)	(2.05)	(34.62)	**560.51**

Particulars		As at April 1, 2021	Recognised in Profit & Loss	Recognised in OCI	As at March 31, 2022
Deferred tax assets					
On Unabsorbed Losses		-	(255.87)	-	255.87
On Provision for employee benefits		-	(32.36)	4.83	27.53
On others		-	(405.00)	-	405.00
Subtotal	**(A)**	**-**	**(693.23)**	**4.83**	**688.40**
Deferred tax liabilities, net					
On property, plant and equipment		82.89	159.98	-	242.87
On remeasurements of defined benefit obligations		(2.81)	2.81	-	-
Subtotal	**(B)**	**80.08**	**162.79**	**-**	**242.87**

In assessing whether the deferred tax assets will be realised, management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realise the benefits of those recognised deductible difference. Recoverability of deferred tax assets is based on estimates of future taxable income and any changes in such future taxable income would impact the recoverability of deferred tax assets. However, management believes that any reasonable possible change in the key assumptions would not effect the Company's ability to recover the deferred tax asset.

Note 9
Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital advances	35.54	413.22
(b) Balances with revenue authorities	578.26	-
(c) Prepaid expenses	8.70	-
Total	**622.50**	**413.22**

Note 10
Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Trade receivables-considered good (refer notes below)	3,536.84	10,201.75
Less: Allowances for expected credit loss	-	-
Trade receivables-credit impaired	-	-
Less: Allowances for expected credit loss	**-**	**-**
Total	**3,536.84**	**10,201.75**

Notes:
The exposure to credit risk is disclosed in Note 33.

Trade receivables ageing schedule:

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

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	722.77	2,783.72	29.45	0.90	-	3,536.84
Credit impaired					-	-
Disputed Trade Receivables						-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**722.77**	**2,783.72**	**29.45**	**0.90**	**-**	**3,536.84**
Less: Allowance for expected credit loss	-	-	-	-	-	-
Balance at the end of the year	**722.77**	**2,783.72**	**29.45**	**0.90**	**-**	**3,536.84**

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	10,171.40	29.45	0.90	-	-	10,201.75
Credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**10,171.40**	**29.45**	**0.90**	**-**	**-**	**10,201.75**
Less: Allowance for expected credit loss	-	-	-	-	-	-
Balance at the end of the year	**10,171.40**	**29.45**	**0.90**	**-**	**-**	**10,201.75**

Note 11
Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks		
- Current accounts	66.96	33.82
- Deposit accounts*	550.00	800.00
Total	**616.96**	**833.82**

*The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Note 12
Other financial assets-current

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Accrued income*	1,395.60	1,126.24
(ii) Other receivables	12.43	594.46
Total	**1,408.03**	**1,720.70**

* Refer note 40 for amounts due from related parties

Note 13
Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Advances recoverable in cash or kind	1,232.58	62.59
(ii) GST credit receivable	131.83	3.75
(iii) Balances with revenue authorities *	-	65.29
Total	**1,364.41**	**131.63**

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

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

Note 6
Leases
(A) Leases where Company is a lessee:
The Company's leased assets primarily consist of buildings for corporate office having lease term of 10 years.

Particulars	March 31, 2023	March 31, 2022
(i) The movement in right-of-use assets is as follows:		
Opening balance	3,616.09	-
Addition during the year	140.94	3,944.83
Depreciation charge for the year (refer note 1 below)	(419.67)	(328.74)
Closing balance	**3,337.36**	**3,616.09**
(ii) The movement in lease liabilities is as follows:		
Opening balance	3,616.09	-
Addition during the year	140.94	3,944.83
Accretion of interest (refer note 1 below)	318.19	272.67
Payment of principal portion of lease liabilities	-	(21.30)
Adjustments (refer note 2 below)	(265.35)	(202.46)
Closing balance	**3,809.87**	**3,993.74**
(iii) The break-up of current and non-current lease liabilities is as follows:		
Non-current lease liabilities	3,269.83	3,491.97
Current lease liabilities	540.04	501.77
(iv) The contractual maturities of lease liabilities on an undiscounted basis are as follows:		
Less than one year	540.04	501.77
One to five years	1,797.84	2,338.00
More than five years	1,471.99	652.20

Note:
1. Depreciation on right-of-use assets and interest accretion on lease liabilities is capitalised as part of Capital Work In Progress, as the lease hold improvements are under progress.
2. Adjustments in the movement of lease liabilities represent lease rent payable reclassified to Trade payables.
3. Rental expense for low value assets and short term leases was Rs. 29.85 (March 31, 2022: Rs.0.48) included in other expenses in the statement of profit and loss under note 28.

Tanla Digital Labs 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 14
Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Authorised		
20,00,000 (March 31, 2023: 20,00,000) Equity Shares of Rs.10 each	200.00	200.00
(ii) Issued, subscribed and paid up		
50,000 (March 31, 2023: 50,000) Equity shares of Rs.10 each fully paid	5.00	5.00
Total	**5.00**	**5.00**

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023	As at March 31, 2022
Shares outstanding at the beginning of the year	50,000	50,000
Add: Issued and allotted during the year	-	-
Shares outstanding at the end of the year	**50,000**	**50,000**

(c) Rights, preferences and restrictions attached to shares
Equity Shares: The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Shares held by Holding Company

Particulars	As at March 31, 2023	As at March 31, 2022
Tanla Platforms Limited (formerly known as Tanla Solutions Limited)	49,999	49,999

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2023		March 31, 2022	
	Number of shares	in %	Number of shares	in %
Tanla Platforms Limited (formerly known as Tanla Solutions Limited)	49,999	99.99	49,999	99.99

(f) 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.

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

(h) Tanla Platforms Limited (formerly known as Tanla Solutions Limited) is the holding Company of Tanla Digital Labs Private Limited and there has been no change in the shareholding during the financial year 2022-2023

Note 15
Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Retained earnings	12,955.12	5,349.98
(ii) Items of other comprehensive income	(3.86)	14.19
Total	**12,951.26**	**5,364.17**

(i) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	5,349.98	(697.26)
Add: Profit for the year	7,605.15	6,047.24
Closing balance	**12,955.13**	**5,349.98**

(ii) Items of other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	14.19	(8.36)
Add: Remeasurement of the net defined benefit asset/liability	(18.07)	22.55
Closing balance	**(3.86)**	**14.19**

Securities premium account: The amount received in excess of face value of the equity shares is recognised as 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. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.

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 shareholders.

Other items of 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.

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

Note 16
Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities-non current (refer note 6)	3,269.83	3,491.97
Lease liabilities- current (refer note 6)	540.04	501.77
Total	**3,809.87**	**3,993.74**

Note 17
Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term		
Gratuity (refer note 34)	48.51	24.54
Leave encashment	15.16	11.76
Total (A)	**63.67**	**36.30**
Short term		
Gratuity (refer note 34)	4.78	0.35
Leave encashment	7.99	0.59
Total (B)	**12.77**	**0.94**
Total (A)+(B)	**76.44**	**37.25**

Note 18
Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	342.00	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,680.72	3,156.92
Total	**7,022.72**	**3,156.92**

Notes:
1. Refer note 35 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 33.

Trade payables ageing schedule
As at March 31, 2023

Particulars	Outstanding for following periods from the date of invoice				
	Less than 1 Year	**1-2 Years**	**2-3 Years**	**More Than 3 Years**	**Total**
i) MSME	342.00	-	-	-	342.00
ii) Others	6,049.22	604.23	27.27	-	6,680.72
iii) Disputed Dues-MSME	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-
Total	**6,391.22**	**604.23**	**27.27**	**-**	**7,022.72**

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	3,129.65	27.27	-	-	3,156.92
iii) Disputed Dues- MSME	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-
Total	**3,129.65**	**27.27**	**-**	**-**	**3,156.92**

Tanla Digital Labs 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 19
Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other payable - Cost of services	82.56	162.20
Salary payable	78.74	213.19
Other liabilities	-	35.46
Payable for capital creditors	1,120.89	-
Total	**1,282.19**	**410.85**

Note 20
Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	17.94	1,460.89
Total	**17.94**	**1,460.89**

Note 21
Loan from related parties

Particulars	As at March 31, 2023	As at March 31, 2022
Loan from Holding Company (refer note below)	11,331.96	11,750.17
Total	**11,331.96**	**11,750.17**

Note: Loan from Holding Company carries an interest rate of 7% and is repayable on demand.

Tanla Digital Labs 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 22
Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services (refer note 38)	12,686.95	10,557.83
Total	**12,686.95**	**10,557.83**

Note 23
Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	66.80	5.23
Miscellaneous income	20.32	-
Foreign exchange gain	292.24	-
Total	**379.37**	**5.23**

Note 24
Cost of services

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of services	80.70	505.54
Internet and cloud computing charges	39.29	
Total	**119.99**	**505.54**

Note 25
Employee benefit expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	420.39	1,520.84
Contribution to provident and other funds	64.83	53.30
Staff welfare expenses	-	1.00
Total	**485.22**	**1,575.14**

Note: Amount recognised in statement of profit and loss in respect of gratuity is 16.44 (FY 2021-22: 12.07) and in respect of leave encashment is 8.67 (FY 2021-22: 8.02)

Note 26
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	189.67	20.92
Amortisation of Intangible assets	1,506.20	694.36
Depreciation of Right-of-use assets	33.81	-
Total	**1,729.67**	**715.28**

Note 27
Finance cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease	25.98	-
Interest on loan from Holding Company (refer note 39)	842.46	574.12
Total	**868.44**	**574.12**

Note 28
Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Professional charges (refer note 1 below)	386.67	382.44
Marketing expenses	78.30	55.33
Repairs and maintenance expenses	58.20	21.83
Office maintenance	216.99	39.50
Exchange fluctuation		6.50
Communication expenses	-	0.03
Travelling expenses	2.70	-
Rent, rates and taxes	76.29	1.89
Power and fuel	-	0.03
General expenses	6.44	0.27
Bank charges	2.46	0.43
Corporate social responsibility (CSR) (refer note 1 below)	40.47	-
Total	**868.53**	**508.23**

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	6.50	6.50
Reimbursement of expenses	0.26	0.25
Total	**6.76**	**6.75**

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

Note 29
(a) Taxes

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	1,571.51	1,167.96
	Prior period tax	(34.63)	
		1,536.88	**1,167.96**
	Deferred tax		
	Deferred tax	406.63	(125.44)
	MAT credit	(554.19)	(405.00)
		(147.56)	**(530.44)**
	Total income tax expense recognised in the Statement of Profit & Loss	**1,389.32**	**637.52**
(ii)	**Income tax expense recognised in OCI**		
	Income tax relating to items that will not be reclassified to profit or loss	2.05	(4.83)
	Total income tax expense recognised in OCI	**2.05**	**(4.83)**

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**	**8,994.47**	**6,684.76**
	Statutory income tax rate	25.17%	25.17%
	Tax at statutory income tax rate	**2,263.91**	**1,682.55**
(ii)	**Tax effect of:**		
	Exemptions/deductions for tax purposes/tax holidays	(1,404.66)	(1,028.22)
	Others (net)	530.07	(16.81)
	Income tax expense	**1,389.32**	**637.52**

Note 30
Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders 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 after tax	**7,605.15**	**6,047.24**
Number of equity shares at the beginning of the year	50,000	50,000
Add: Issued during the year	-	-
Number of equity shares at the end of the year	**50,000**	**50,000**
Weighted average number of equity shares for computation of Basic EPS	50,000	50,000
Weighted average number of equity shares for computation of Diluted EPS	50,000	50,000
Nominal value per share	10.00	10.00
Basic earnings per share	15,210.30	12,094.48
Diluted earnings per share	15,210.30	12,094.48

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

Note 31
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 approximate 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 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.

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

S. No.	Particulars	Carrying value	Fair Value	Carrying value	Fair Value
		March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
(i)	**Financial Assets:**				
	Amortised cost				
	Trade receivables	3,536.84	3,536.84	10,201.75	10,201.75
	Cash and cash equivalents	616.96	616.96	833.82	833.82
	Other financial assets	1,565.57	1,565.57	1,981.55	1,981.55
	Total Financial assets	**5,719.37**	**5,719.37**	**13,017.12**	**13,017.12**
(ii)	**Financial Liabilities:**				
	Amortised cost				
	Trade payables	7,022.72	7,022.72	3,156.92	3,156.92
	Lease liability	3,809.87	3,809.87	3,993.74	3,993.74
	Other financial liabilities	1,282.19	1,282.19	410.85	410.85
	Total Financial Liabilities	**12,114.78**	**12,114.78**	**7,561.51**	**7,561.51**

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

Note 32
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).

Particulars	USD
As at March 31, 2023	
Financial assets	
Trade Receivables	6,746.99
Cash and cash equivalents	-
Financial liabilities	
Trade payables	556.08
Total	**6,190.91**
As at March 31, 2022	
Financial assets	
Trade Receivables	3,695.66
Cash and cash equivalents	-
Financial liabilities	
Trade payables	943.06
Total	**2,752.60**

(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 does not have any deposits with banks 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.

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

(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	7,022.72	-	-	-
Lease liability	540.04	567.06	1,230.78	1,471.99
Other financial liabilities	1,282.19	-	-	-
Total	**8,844.95**	**567.06**	**1,230.78**	**1,471.99**
As at March 31, 2022				
Financial Liabilities				
Trade Payables	3,156.92	-	-	-
Lease liability	501.77	540.04	1,797.86	1,154.07
Other financial liabilities	410.85	-	-	-
Total	**4,069.54**	**540.04**	**1,797.86**	**1,154.07**

(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.

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-realization risk.

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 Rs. Nil (31 March 2022: Rs. Nil). 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	-	-
Allowance for doubtful debts	-	-
Less: Reversed on collection from the customers	-	-
Less: Bad debts written off	-	-
Closing balance	**-**	**-**

Note 33
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 benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, 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.

The capital for the reporting year under review is summarized as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings	11,331.96	11,750.17
Less: Cash and cash equivalents	616.96	833.82
Net debt	**10,715.00**	**10,916.35**
Total Equity	12,956.26	5,369.17
Gearing ratio	83%	203%

The Company is equity financed which is evident from the capital structure table. The Company has availed loan from its Holding Company carrying an interest rate of 7%, which is included in the total borrowings for the calculation of gearing ratio. Holding Company of Tanla Digital Labs Private Limited has not availed any debt from third parties and will provide financial assistance to the Company as needed.

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

Note 34
Employee benefits
The Company has following post employment benefit plans:

(a) Defined contribution plan
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 year in the statement of profit and loss towards defined contribution plan is Rs. 64.83 (March 31, 2022: Rs. 53.30)

(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 scheme is funded through a policy with Life Insurance Corporation of India. The following table summarises net defined 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.

Defined Benefit Plans

Sl. No	Particulars	March 31, 2023	March 31, 2022
A	**Net Employee Benefit Expense**		
	Current service cost	14.61	10.41
	Interest cost	1.83	1.66
	Net employee benefit expense	**16.44**	**12.07**
B	**Amount recognised in Balance Sheet**		
	Defined benefit obligation	53.29	24.89
	Fair value of plan assets	-	-
	Net Liability recognised in Balance sheet (refer note 17)	**53.29**	**24.89**
C	**Changes in the present value of the defined benefit obligation**		
	Opening defined benefit obligation	24.89	24.11
	Current service cost	14.61	10.41
	Interest cost	1.83	1.66
	Net actuarial (gains)/losses on obligation for the year recognised under OCI	11.95	(11.29)
	Closing defined benefit obligation	**53.29**	**24.89**
D	**Changes in the fair of plan assets**		
	Opening fair value of plan assets	-	-
	Interest income	-	-
	Employer contribution	-	-
	Fund charges	-	-
	Closing fair value of plan assets	-	-
E	**Actuarial Assumptions**		
	Discount Rate	7.51%	7.34%
	Rate of increase in Salary	6.00%	6.00%
	Expected average remaining working lives of employees (years)	20.73 years	21.60 years
	Attrition Rate	26%	1.00%-3.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

Impact on defined benefit obligation	March 31, 2023	March 31, 2022
Discount rate		
1% increase	51.12	23.03
1% decrease	55.63	27.01
Rate of increase in salary		
1% increase	55.38	26.34
1% decrease	51.33	23.65
Attrition Rate		
1% increase	52.76	24.82
1% decrease	53.82	24.95

Maturity profile of defined benefit obligation

Year	March 31, 2023	March 31, 2022
Apr 2022- Mar 2023	-	0.35
Apr 2023- Mar 2024	4.78	0.37
Apr 2024- Mar 2025	5.80	0.41
Apr 2025- Mar 2026	13.92	1.97
Apr 2026- Mar 2027	10.26	21.79
Apr 2027 onwards	18.54	-

Note 35
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	342.00	-
- 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 36
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 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	5,978.74	6,862.17
Rest of the world	6,708.21	3,695.66
Total	**12,686.95**	**10,557.83**

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

Particulars	As at March 31, 2023	As at March 31, 2022
India	29,589.97	13,752.64
Rest of the world	-	-
Total	**29,589.97**	**13,752.64**

Tanla Digital Labs 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 37
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	12,686.95	10,557.83
Less: Impairment losses recognised	-	-
Total Revenue	**12,686.95**	**10,557.83**

(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	March 31, 2023	March 31, 2022
India	5,978.74	6,862.17
Overseas	6,708.21	3,695.66
Total	**12,686.95**	**10,557.83**

(c) Movement in expected credit loss during the year

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 year:	Contract Asset	
Particulars	**March 31, 2023**	**March 31, 2022**
Opening balance (A)	1,126.24	794.29
Add/(Less):Revenue recognised during the year	12,686.95	10,557.83
Add/(Less):Progress bills raised during the year (net of adjustments)	(12,417.59)	(10,225.88)
Closing Balance (B)	**1,395.60**	**1,126.24**

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

Tanla Digital Labs 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 38: Related Party Disclosures

A) List of Related Parties:

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

(ii) Key Managerial Personnel
D. Uday Kumar Reddy - Director
D. Tanuja Reddy - Director (Resigned w.e.f. 27/03/2023)
Aravind Viswanathan -Director (Appointed w.e.f. 20/01/2023)

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

Transactions during the year:

	Transactions Dr/(Cr)	
Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
(i) Tanla Platforms Limited		
Loans taken	(2,132.45)	(6,371.26)
Loans repaid	6,988.14	92.23
Interest expense	842.46	(574.12)
Reimbursement of expenses	(1,701.02)	(400.58)
Other income	0.48	0.48
(ii) Karix Mobile Private Limited		
Sale of Services- Unbilled Revenue	-	-
Reimbursement of expenses	213.44	-
Sale of Services- Billed Revenue	6,777.77	6,335.94
(iii) Tanla Digital Labs FZ-LLC		
Sale of Services- Billed Revenue	6,746.99	3,695.66
Cost of services-transferred	-	400.00
(iv) Tanla Digital (India) Private Limited		
Sale of Services- Billed Revenue	976.51	-
Reimbursement of expenses	-	586.36

Balance Outstanding:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Tanla Platforms Limited		
Loans given/(taken)	(6,837.12)	(11,349.07)
Other payables	(1,701.02)	(400.59)
(ii) Karix Mobile Private Limited		
Reimbursement of expenses	(213.44)	546.97
Sale of services-trade receivables	(2,511.07)	7,052.65
(iii) Tanla Digital Labs FZ-LLC		
Sale of services-trade receivables	1,725.46	2,013.51
Sale of services-accrued income	562.25	520.66
(iv) Tanla Digital (India) Private Limited		
Sale of services-accrued income	1,187.89	5.58
Reimbursement of expenses	-	586.36

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

Note 39

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	40.47	-
(ii) Amount of expenditure incurred	-	-
(iii) Unspent at the end of the year	40.47	-
(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
viii) 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.

40. Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% of Variance	Reason for variance
(a) Current ratio	Current assets	Current liabilities	0.34	0.70	-51%	Decrease in current ratio is due to decrease in trade receivable and other financial assets as compared to FY 2021-22.
(b) Debt-equity ratio	Total debt*	Shareholders equity	0.87	2.19	-60%	Reason for the movement in debt-equity ratio is decrease in loan from Holding Company in FY 2022-23 and increase in other equity.
(c) Debt Service Coverage ratio	Net profit after taxes+ +finance cost	Interest payments+Principal repayments	10.02	11.53	-13%	Refer Note 1 below
(d) Return on equity ratio	Net profits after taxes	Average shareholders equity	0.83	2.58	-68%	Decrease in return on equity ratio is due to increase in average of other equity as compared to FY 2021-22.
(e) Trade receivables turnover ratio	Net sales	Average trade and unbilled receivables	1.56	1.74	-10%	Refer Note 1 below
(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	0.28	1.32	-79%	Decrease in trade payables turnover ratio is due to increase in trade payables in FY 2022-23 as compared to FY 2021-22
(g) Net capital turnover ratio	Net sales	Working capital=Current assets-Current liabilities	-6.90	1.71	-503%	Net capital turnover ratio is arrived excluding loan from holding company. Increase in current liabilities over current assets (i.e.adjusted working capital) has driven decrease in working capital ratio in FY 2022-23.
(h) Net profit ratio	Net profit after taxes	Net sales	0.60	0.57	4%	Refer Note 1 below
(i) Return on capital employed	Earnings before interest and taxes	Capital employed= Total equity	1.25	1.34	-7%	Refer Note 1 below
(j) Return on investment	Interest income	Average fixed deposits	0.10	0.01	657%	Increase in Average fixed deposits and increase in interest rates resulted in increase in ROI

* Lease liabilities are excluded from the definition of Debt

Note No 1: As the variance in the respective ratios does not exceed 25%, no explanation is provided

41. 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 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).

42. The Company have a wholly owned subsidiary "Tanla Digital (India) Private Limited (TDIPL). Tanla Digital Labs Private Limited (TDLPL) being parent has not present consolidated financial statements by meeting all the conditions specified in Para 4 of Ind AS 110 and relevant provisions of the Companies Act, 2013, as amended and the rules thereunder.

Tanla Platforms Limited (formerly known as Tanla Solutions Limited) its ultimate parent produces financial statements that are available for public use and comply with Ind ASs, in which the TDLPL and TDIPL are consolidated.

43. 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.

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

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
Tanla Digital Labs Private Limited
CIN:U72900TG2019PTC137708

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

Aravind Viswanathan
Director
DIN: 08036024

Place: Hyderabad
Date: April 26, 2023