Pavan & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To

The Members,

Rlabs Enterprise Services Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Rlabs Enterprise Services Limited** (" The Company"), which comprise the Balance Sheet as at 31st March, 2022 and Statement of Profit and Loss, Cash flow Statement and the Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information (herein after referred to as ("Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information as required by the Companies Act, 2013 ("the Act") in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022 and its profit or loss statement for the year ended on that date.

Basis for opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics.

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

Management's responsibility for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

PAVAN & ASSOCIATES Chartered Accountants * Hyderabad *

H.No : 6-3-668/10/11, Durga Nagar Colony, Panjagutta, Hyderabad – 500 082
Contact : +91- 84639 76110, Email id : pavan@CApavan.com, www.CApavan.com

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There is no such requirement to transferring amounts to the Investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company}.

d) i. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

e) The company has not declared any dividend during the year

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Pavan& Associates
Chartered Accountants
(Firm Reg. No.012132S)

S.V.Pavan Kumar

S V Pavan Kumar
Partner
Membership No.211281
UDIN: 22211281AOIZME9255

Place: Hyderabad
Date: 04th August, 2022

"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date for the year ended 31st March 2022)

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

We have audited the internal financial controls over financial reporting of **Rlabs Enterprise Services Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pavan & Associates
Chartered Accountants
(Firm Reg. No.012132S)

PAVAN & ASSOCIATES Chartered Accountants Hyderabad

S.V Pavan Kumar

S V Pavan Kumar
Partner

M No. 211281
UDIN: 22211281AOIZME9255

Place: Hyderabad
Date: 04-08-2022

"ANNEXURE B" TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31 March 2022, we report that:

(i) (a) (A) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets. However, the value and situation relating to assets of small individual value, like furniture etc., are grouped and quantitative information and situation is not identifiable as per the register maintained.;

(a) (B) The company is maintaining proper records showing full particulars of intangible assets;.

(b) As submitted to us, the Company has physically verified assets, in accordance with a phased program of verification. However, discrepancies in the quantity or condition of the assets are not recorded.

(c) The company does not have any immovable properties; hence the provisions of this clause are not applicable.

(d) The company has not revalued its Property, Plant and Equipment and Intangible assets during the year.

(e) There are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements;

ii. (a) The company does not have any inventory; hence the provisions of this clause are not applicable.

(b) As at end of the year, the company does not have any working capital limits from banks or financial institutions. The company has not provided the information relating to the documents submitted or the quarterly returns or statements filed by the company with such banks or financial institutions during the period when the company has availed working capital limits.;

iii. (a) In our opinion and according to the information provided to us the company has not made any investments and not provided any guarantees, however has granted unsecured loan as specified below-

(A) Subsidiaries, Joint Ventures or Associates

Name	Aggregate Amount During the Year	Balance Outstanding as 31-03-2022
	Nil	

(B) To Other than Subsidiaries, Joint Ventures or Associates

Name	Aggregate Amount During the Year in Rs.	Balance Outstanding as 31-03-2022 in Rs.
Dataformix Technologies Private Limited	152 Lakhs	10 Lakhs

(b) the company has granted the said loan without charging interest on such loan and as the company has paid interest on its borrowed funds, the finance cost of the company will be lower had no loans been granted to the parties in the register maintained under section 189. No repayment for principal is stipulated against the said loan. According to the information and explanations given to us, as no repayment schedule is prescribed and the loans are granted to meet the working capital requirements of the said party, the funds are returned according to the cash flows availability of the other party.

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(iv) The company has complied with the provisions of section 185 of the Companies Act, 2013. The company has considered the latest available audited balance sheet (i.e. 2020-21) as on the date of the board approving the grant of loans for ensuring the compliances under section 186 of the Companies Act, 2013 and has complied with the limits prescribed under section 186.

(v) The Company has not accepted any deposits or amount which is deemed to be deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company

(vii) (a) According to the information and explanations given to us, in respect of statutory dues, the Company has generally been regular in depositing undisputed statutory dues of Provident Fund, ESI with the appropriate authorities. However, company has in many instances delayed deposit of GST and TDS payable by the company. According to the information and explanations given to us, this has been done because of the working capital gap and the company is working on improving the same. However, there are no undisputed amounts payable in respect of such statutory dues which were outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.

(viii) The company has not recorded any transactions in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, the previously unrecorded income has been properly recorded in the books of account during the year;

(ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, hence the provisions of this clause are not applicable

(b) The company is not declared as wilful defaulter by any bank or financial institution or other lender;

(c) The term loans were applied for the purpose for which the loans were obtained.

(d) The funds raised on short term basis have been utilised for short term purposes only hence the provisions of this clause are not applicable;

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, hence the provisions of this clause are not applicable;

(c) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence the provisions of this clause are not applicable;

(x) (a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) hence the provisions of this clause are not applicable;

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year hence the provisions of this clause are not applicable;

(xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, hence this clause is not applicable.

(xii) The company is not a Nidhi Company; hence the provisions of this clause are not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the company all transactions with the related parties are in compliance with

PAVAN & ASSOCIATES Chartered Accountants * Hyderabad * sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;

(xiv) The company is not required to appoint an internal auditor under the provisions of section 138 of the Act.

(xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and hence the provisions of this clause are not applicable;

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities, hence this clause is not applicable.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence this clause is not applicable.

(xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year, hence the clause is not applicable;

(xviii) There has been no resignation of the statutory auditor during the year, hence this clause is not applicable to the company.

(xix) According to the information and explanations given to us and on the basis of our examination of the records of the company and financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

(xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company there is no unspent amount with regard to the other than ongoing projects,

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company there is no unspent amount with regard to the ongoing projects

(xxi) There are no any qualifications or adverse remarks given by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports, hence this clause is not applicable to the company.

For Pavan & Associates
Chartered Accountants
(Firm Reg. No.012132S)

PAVAN & ASSOCIATES
Chartered Accountants
Hyderabad

S V Pavan Kumar
Partner

M No. 211281
UDIN: 22211281AOIZME9255

Place: Hyderabad
Date: 4th August, 2022

Rlabs Enterprise Services Limited (CIN U72200TG2013PLC086168)
Restated Statement of Assets and Liabilities
(Amount in Rs Millions, unless otherwise stated)

Particulars	Note No.	As at 31-Mar-22	31-Mar-21	01-Apr-20
ASSETS				
1 **Non-current assets**				
(a) Property, Plant and Equipment	3A	4.99	36.20	42.27
(b) Right of use assets	26	11.94	21.62	31.30
(c) Goodwill	3C	17.21	17.21	-
(d) Other intangible Assets	3B	17.66	20.18	0.01
(d) Investments	4.1	-	-	0.59
(e) Other financial assets	4.2	3.86	3.59	3.34
(f) Deferred tax assets	26B	0.49	6.50	7.37
(g) Non-current tax assets		37.74	76.76	119.55
(h) Other non-current assets	5	-	-	20.28
Total Non - Current Assets		**93.89**	**182.06**	**224.71**
2 **Current assets**				
(a) Financial Assets	6			
(i) Trade receivables	6.1	112.78	115.38	144.41
(ii) Cash and cash equivalents	6.2	102.27	55.41	59.37
(iii) Loans	6.3	1.15	61.38	27.88
(iv) Other financial assets	6.4	112.19	91.17	84.08
(b) Other assets	7	2.84	14.55	4.51
Total Current Assets		**331.23**	**337.89**	**320.25**
Total Assets (1+2)		**425.12**	**519.95**	**544.96**
EQUITY AND LIABILITIES				
1 **Equity**				
(a) Equity Share capital	8	83.53	83.53	83.53
(b) Other Equity	9	185.88	100.90	67.12
Total equity		**269.41**	**184.43**	**150.65**
LIABILITIES				
2 **Non-current liabilities**				
(a) Long term borrowings	10.1	-	31.25	20.54
(b) Lease liabilities	26	4.52	14.66	25.14
(c) Provisions	10.2	8.74	9.46	7.81
Total Non - Current Liabilities		**13.26**	**55.37**	**53.49**
3 **Current liabilities**				
(a) Financial Liabilities	11			
(i) Short term borrowings	11.1	-	113.90	120.25
(ii) Trade payables				
(A) total outstanding dues of micro enterprises and small enterprises	11.2 & 21	-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	11.2	11.60	39.55	133.21
(iii) Other financial liabilities	11.3	71.36	64.15	-
(b) Lease liabilities	26	10.14	10.47	9.13
(c) Provisions	12	3.51	3.02	1.02
(d) Other current liabilities	13	45.84	49.06	77.21
Total Current Liabilities		**142.45**	**280.15**	**340.82**
Total Equity and Liabilities (1+2+3)		**425.12**	**519.95**	**544.96**

See accompanying notes to the financial statements

As per our report of even date
For Pavan & Associates
Chartered Accountants
Firm's Registration No. 012132S

S V Pavan Kumar
Partner
Membership No. 211281
Date: August 04, 2022
Place: Hyderabad

For and on behalf of the Board of Directors

Venkatesan Vinodh
Director
DIN:-06619745
Date: August 04, 2022
Place: Banglore

Sudhakar Balakrishnan
Director
DIN:-02955892
Date: August 04, 2022
Place: Banglore

Rlabs Enterprise Services Limited (CIN U72200TG2013PLC086168)
Restated Statement of profit and loss
(Amount in Rs Millions, unless otherwise stated)

Particulars		Note No.	Year ended 31-Mar-22	Year ended 31-Mar-21
I	Revenue from operations	14	1,158.53	1,017.74
II	Other Income	15	5.20	8.77
III	**Total Income (I + II)**		**1,163.73**	**1,026.51**
IV	**EXPENSES**			
	(a) Employee benefit expense	16	836.57	658.20
	(b) Finance costs	18	19.04	26.66
	(c) Depreciation and amortisation expense	3 & 26	16.66	18.31
	(d) Other expenses	19	176.86	273.05
	Total Expenses (V)		**1,049.13**	**976.22**
V	**Profit before tax (III - IV)**		**114.60**	**50.29**
VI	**Tax Expense**			
	(1) Current tax		29.96	20.79
	(2) Deferred tax		4.41	(0.43)
	Total tax expense		**34.37**	**20.36**
VII	**Profit/(Loss) for the year (V + VI)**		**80.23**	**29.93**
VIII	**Other comprehensive income/(loss)**		4.75	3.85
A	(i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		6.35	5.15
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.60)	(1.30)
B	(i) Items that may be reclassified to profit or loss			-
IX	**Total comprehensive income/(Loss) for the year (VII + VIII)**		**84.98**	**33.78**
X	**Earnings/(loss) per equity share:**	25		
	(1) Basic		9.61	3.58
	(2) Diluted		9.61	3.58

See accompanying notes to the financial statements

As per our report of even date
For Pavan & Associates
Chartered Accountants
Firm's Registration No. 012132S

S.V Pavan Kumar

S V Pavan Kumar
Partner
Membership No. 211281
Date: August 04, 2022
Place: Hyderabad

For and on behalf of the Board of Directors

Venkatesan Vinodh
Director
DIN:-06619745
Date: August 04, 2022
Place: Banglore

Sudhakar Balakrishnan
Director
DIN:-02955892
Date: August 04, 2022
Place: Banglore

Rlabs Enterprise Services Limited (CIN U72200TG2013PLC086168)
Restated Statement of cashflows
(Amount in Rs Millions, unless otherwise stated)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	114.60	50.29
Adjustments for:		
Depreciation and amortisation expenses	16.66	18.31
Finance costs	19.04	26.66
Interest income	(3.28)	(0.43)
Provision/(reversal of doubtful debts and Bad debts written off	(6.39)	(1.76)
Loss/(gain) on sale of property plant and equipment	(1.33)	1.27
Liabilities no longer required written back	(0.59)	(3.18)
Operating profit / (loss) before working capital changes	138.71	91.16
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Financial Assets		
Trade receivables	8.99	30.79
Loans	60.23	(33.50)
Other financial assets	7.78	(5.44)
Non-financial assets		
Other assets	11.71	10.24
Adjustments for increase / (decrease) in operating liabilities:		
Financial liabilities		
Trade payables	(27.36)	(90.48)
Other financial liabilities	10.71	60.65
Non-financial liabilities		
Provisions	6.12	8.80
Other liabilities	(3.22)	(28.15)
	213.67	**44.07**
Net income tax (paid) / refunded	12.07	22.00
Net cash flow from / (used in) operating activities (A)	**225.74**	**66.07**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property plant and equipment, including capital advances	(5.86)	(6.34)
Proceeds from sale of Property plant and equipment	5.14	3.13
Proceeds from sale of investments	-	0.59
Interest received	-	0.43
Business acquisition	(3.50)	(36.40)
Net cash flow from / (used in) investing activities (B)	**(4.22)**	**(38.59)**

Rlabs Enterprise Services Limited (CIN U72200TG2013PLC086168)
Statement of cashflows (Contd...)
(Amount in Rs Millions, unless otherwise stated)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	11.90
Repayment of long term borrowings	(28.96)	(6.98)
Repayment of principal portion operating lease liabilities	(10.47)	(9.14)
Interest paid on operating lease liabilities	(1.48)	(2.20)
Increase/(decrease) in short term borrowings	(116.19)	(0.56)
Finance costs paid	(17.56)	(24.46)
Net cash flow from / (used in) financing activities (C)	**(174.66)**	**(31.44)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**46.86**	**(3.96)**
Add: Cash and cash equivalents at the beginning of the year	55.41	59.37
Cash and cash equivalents at the end of the year *	**102.27**	**55.41**
Reconciliation of Cash and Cash Equivalents with the		
Cash and cash equivalents as per Balance Sheet (Refer Note 6.2)	102.27	55.41
Less: Bank balances not considered as cash and cash	-	-
Cash and cash equivalents as per Cash Flow Statement	**102.27**	**55.41**
* Comprises:		
Balances with banks:		
(i) In current accounts	102.27	55.41
Total	**102.27**	**55.41**

Corporate Information and Significant Accounting Policies - Notes 1 & 2

As per our report of even date
For Pavan & Associates
Chartered Accountants
Firm's Registration No. 012132S

S V Pavan Kumar
Partner
Membership No. 211281
Date: August 04, 2022
Place: Hyderabad

For and on behalf of the Board of Directors

Venkatesan Vinodh
Director
DIN:-06619745
Date: August 04, 2022
Place: Banglore

Sudhakar Balakrishnan
Director
DIN:-02955892
Date: August 04, 2022
Place: Banglore

F s Enterprise Services Limited (CIN U72200TG2013PLC086168)
Restated Statement of changes in equity
(Amount in Rs Millions, unless otherwise stated)

(a) Equity share capital	**Amount**
As at 1 Apr 20	83.53
Issue of shares	-
31-Mar-21	**83.53**
As at 1-Apr-21	**83.53**
Issue of shares	
As at 31-Mar-22	**83.53**

(b) Other equity

Particulars	**Reserves and Surplus**	
	Retained earnings / (defecit)	**Total other equity**
As at 1 Apr 20	67.12	67.12
Profit/(loss) for the year	29.93	29.93
Remeasurements of the defined benefit liabilities / (asset) net of tax	3.85	3.85
As at 31-Mar-21	**100.90**	**100.90**
Profit/(loss) for the year	80.23	80.23
Remeasurements of the defined benefit liabilities / (asset) net of tax	4.75	4.75
As at 31-Mar-22	**185.88**	**185.88**

As per our report of even date
For Pavan & Associates
Chartered Accountants
Firm's Registration No. 012132S

S.V.Pavan Kumar

S V Pavan Kumar
Partner
Membership No. 211281
Date: August 04, 2022
Place: Hyderabad

For and on behalf of the Board of Directors

Venkatesan Vinodh
Director
DIN:-06619745
Date: August 04, 2022
Place: Banglore

Sudhakar Balakrishnan
Director
DIN:-02955892
Date: August 04, 2022
Place: Banglore

1.Corporate Information

Rlabs Enterprise Services Limited (the "Company" or "Rlabss") was incorporated as a public limited company on March 06, 2013. The Company is engaged in business of providing management advisory services and staffing services. The registered office of the Company is located at H. No. 6-3-883/6/B, 2nd Floor Singhania Towers, Green Lands Panjagutta Hyderabad, Telangana, 500082

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on August 04, 2022.

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a. Statement of preparation and compliance

The financial statements ("financial statements") comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended, and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 33 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are generally recognised in Statement of Profit or Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Transaction costs that the Company incurs in connection with a business combination such as, finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Statement of Profit or Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit or loss where such treatment would be appropriate if that interest were disposed-off.

c. Current versus non-current classification

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

<u>An asset is treated as current when it is:</u>

i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
ii. Held primarily for the purpose of trading.
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

<u>A liability is current when:</u>

i. It is expected to be settled in normal operating cycle.

ii. It is held primarily for the purpose of trading
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

d. Operating cycle

All 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 Schedule III to the Companies Act 2013. Based on the nature of services and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

e. Basis of measurement

Basis of accounting

The Company maintains its accounts on accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS. Fair value measurements are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
ii. Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
iii. Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

f. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the year in which the estimates are revised and in any future periods affected.

i. The areas involving critical estimates or judgements are:
ii. Determination of useful lives of property, plant and equipment and intangibles;
iii. Impairment test of non-financial assets
iv. Recognition of deferred tax assets;
v. Recognition and measurement of provisions and contingencies;
vi. Fair value of financial instruments
vii. Impairment of financial assets
viii. Measurement of defined benefit obligations;

2.2 Significant accounting policies

a. Property plant and equipment

Recognition and measurement:

Items of property, plant and equipment, other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

Subsequent expenditure:

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

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

Depreciation:

Depreciation on property, plant and equipment, is provided under the straight-line method in the manner prescribed under Schedule II of the Act, except in the following case where the life is different than as indicated in Schedule II of the Act which is based on the technical evaluation of useful life carried out by the management:

Particulars	Economic Useful Life of property, plant and equipment (Years)
Furniture & Fixture	3-5 years
Vehicles	6 years
Office equipment's	5 years
Computers	3 years
Building	60 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b. Intangible assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Statement of profit and loss.

Other Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the Statement of profit and Loss in the period in which the expenditure is incurred.

Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives as mentioned below:

Description of the asset	Estimated Useful Life (Years)
Computer Software	3
Customer contracts	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an individual asset (or where applicable, that of cash generating unit (CGU) to which the asset belongs) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of profit and loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

d. Financial Instruments

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

Financial assets

Initial recognition and measurement

Financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in following categories:

- Amortised cost,
- Fair value through profit (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost:

A financial instrument is measured at the Amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Fair value through profit and loss ('FVTPL'):

All financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss with all changes recognised in the Statement of profit and loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the Statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

Fair value through Other Comprehensive Income ('FVOCI')

Financial assets are measured at FVOCI if both the following conditions are met:

The asset is held within a business model whose objective is achieved by both

- collecting contractual cash flows and selling financial assets and
- contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Dividends, Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Statement of profit and loss. Other net gains and losses are recognised in other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

The contractual rights to receive cash flows from the financial asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of profit and loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at Amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12-month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

Financial Liabilities at Fair Value through Profit or Loss (FVTPL):

A financial liability is classified as Fair Value through Profit or Loss (FVTPL) if it is classified as held-for trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of profit and loss.

Financial Liabilities at Amortised cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL 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 and fees or costs that are an integral part of the EIR. The Amortisation done using the EIR method is included as finance costs in the Statement of profit and loss.

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 or loss.

Offsetting of financial instruments

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

e. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet and cash flow statement includes cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

f. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised till the realization of the income is virtually certain. However, the same are disclosed in the Financial statements where an inflow of economic benefit is probable.

g. Revenue recognition

The Company derives revenue primarily from staffing services, tech staffing services & recruitment and other services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over service to a customer. The method for recognising revenues and costs depends on the nature of the services rendered.

Revenue on time-and-material contracts are recognised as the related services are rendered and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).

a) Staffing Services:

Revenue from staffing services i.e., salary and incidental expenses of temporary associates along with services charges are recognised in accordance with the agreed terms as the related services are rendered.

b) Tech staffing services

Revenue is recognised upon transfer of control of promised services to customers at an amount that reflects the consideration which the Company expects to receive in exchange for those services.

c) Recruitment and other services

Revenue from permanent recruitment services is recognised in accordance with the agreed terms as the related services are rendered.

h. Other income

Interest income

For all debt instruments measured at Amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options); expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income

Dividends are recognised in the Statement of profit and loss on the date on which the Company's right to receive payment is established.

i. Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are charged to Statement of profit and loss.

j. Employee benefits

(i). Short-term Employee benefits

Liabilities for wages and salaries, bonus and ex gratia including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short-term employee benefits and are recognised as an expense in the Statement of profit and loss as the related service is provided.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-Employment Benefits

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which a Company pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes contribution to provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance. Contribution paid or payable in respect of defined contribution plan is recognised as an expense in the year in which services are rendered by the employee.

Defined Benefit Plans:

The Company's gratuity benefit scheme is a defined benefit plan. The liability is recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gain losses and past service costs. The defined benefit/obligation are calculated at balance sheet date by an independent actuary using the projected unit credit method.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

l. Leases

As a Lessee:

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contact involves the use of an identified asset

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at Amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

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

• fixed lease payments (including in-substance fixed payments), less any lease incentives;

• variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

• the amount expected to be payable by the lessee under residual value guarantees;

• the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

• payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the Statement of financial position. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

m. Taxation

Income tax expense /income comprises current tax expense /income and deferred tax expense /income. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In which case, the tax is also recognised directly in equity or other comprehensive income, respectively.

<u>Current tax</u>

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

• Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and

• intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

n. Foreign currency

Foreign currency transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

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

Exchange differences arising on the settlement or translation of monetary items are recognised in Statement of profit or loss in the year in which they arise.

o. Dividend

The Company recognizes a liability for any dividend declared but not distributed at the end of the reporting year, when the distribution is authorized and the distribution is no longer at the discretion of the Company on or before the end of the reporting year.

p. Earnings per share:

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the periods presented.

q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows for the year are classified by operating, investing and financing activities.

r. Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company for the purpose of performance assessment and to make decisions for resource allocation.

The reporting of segment information in the Financial statements is the same as provided to the management for the purpose of performance assessment and resource allocation to the segments.

Segment accounting policies are in line with accounting policies of the Company. Further, the Company presently caters to only domestic market i.e., India and hence there is no revenue from activities outside India. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

s. Exceptional Items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are material and non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of the financial statements.

t. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The management has assessed the potential impact of the COVID-19 on the Financial Statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Based on the assessment performed by the Company, and based on current estimates, the Company expects the carrying amount of these assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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(Amount in Rs Millions, unless otherwise stated)

3 Property Plant and equipment and capital work-in-progress

Description of Assets	3A Tangible assets						3B Other Intangible Assets		
	Furniture and Fixtures	Vehicles	Office equipments	Computers	Buildings	Total	Software	Customer contracts	Total
I. Deemed Cost as at									
1-Apr-20	**0.84**	**7.68**	**0.72**	**2.42**	**30.61**	**42.27**	**0.01**	-	**0.01**
Additions	-	-	0.46	3.88	2.00	6.34	-	-	-
Acquired on business combination								22.69	22.69
Disposals	(0.64)	(4.95)	(0.71)	-	-	(6.30)	-	-	-
31-Mar-21	**0.20**	**2.73**	**0.47**	**6.30**	**32.61**	**42.31**	**0.01**	**22.69**	**22.70**
Additions	-	-	0.22	2.36	-	2.58	-	-	-
Disposals	-	-	-	-	(32.61)	(32.61)	-	-	-
31-Mar-22	**0.20**	**2.73**	**0.86**	**8.84**	-	**12.63**	**0.01**	**22.69**	**22.70**
II. Accumulated depreciation and impairment as at									
1-Apr-20									
Depreciation / amortisation expense for the year	0.20	1.87	0.47	2.16	1.41	6.11	-	2.52	2.52
Eliminated on disposal of assets	-	-	-	-	-	-			-
31-Mar-21	**0.20**	**1.87**	**0.47**	**2.16**	**1.41**	**6.11**	-	**2.52**	**2.52**
Depreciation / amortisation expense for the year	-	0.34	0.04	2.56	1.52	4.46	-	2.52	2.52
Eliminated on disposal of assets	-	-	-	-	(2.93)	(2.93)	-	-	-
31-Mar-22	**0.20**	**2.21**	**0.51**	**4.72**	-	**7.64**	-	**5.04**	**5.04**
Net block as at (I-II)									
1-Apr-20	0.84	7.68	0.72	2.42	30.61	42.27	0.01	-	0.01
31-Mar-21	-	0.86	-	4.14	31.20	36.20	0.01	20.17	20.18
31-Mar-22	-	0.52	0.35	4.12	-	4.99	0.01	17.65	17.66

(a) All the above assets are owned by the Company and no assets are given on hire
(b) As at the above reporting period, title deeds of all the immovable properties are in the name of the COmpany.
(c) On transition to Ind AS (i.e. April 01, 2020), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.
(d) For details of property plant and equipment which are pledged/hypothecated/given as security against loan taken by the Company refer note 10.1

3C Goodwill	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
Opening balance	17.21	-	-
Acquired on business combination	-	17.21	-
Closing balance	**17.21**	**17.21**	-

(Amount in Rs Millions, unless otherwise stated)

3C Goodwill (cont'd...)

In order to expand its business, the company has acquired business from Avvas Infotech Private Limited on 1 April 2020 for a consideration of Rs.40.63 Million. The fair value of assets acquired are as follows:

	Amount
Coustomer contracts	22.69
Goodwill	17.21
Total	**39.90**

The consideration paid for the above business combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development. These benefits are recognised separately from goodwill because they meet the recognition criteria for identifiable intangible assets as mentioned above.

The expected useful life of the identified intangible asset acquired is 5 years.

Allocation of goodwill to cash generating units:

For the purpose of impairment testing, goodwill has been allocated to cash-generating units in the following manner.

	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
Staffing and recruitment services segment	17.21	17.21	-

The recoverable amount of the above cash generating units have been determined based on a value in use approach by considering cash flow projections approved by the management. The following inputs have been used for arriving the said recoverable amount.

	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
Discount rate	18%	18%	NA
Growth rate	1%	1%	NA

As at the reporting period end the management has carried out impairment testing and no impairment has been identified in such assessment. Management believes that any reasonable change in the key assumptions on which recoverable amount is determined would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

3D Depreciation and amortisation

	Year ended 31-Mar-22	Year ended 31-Mar-21
Depreciation on:		
Tangible Assets	4.46	6.11
Right of use assets	9.68	9.68
Amortisation of intangibles	2.52	2.52
	16.66	**18.31**

(Amount in Rs Millions, unless otherwise stated)

Non-current assets

4 Financial Assets

4.1 Investments

	As at		
	31-Mar-22	**31-Mar-21**	**1-Apr-20**
Unquoted			
Investment in Accelsap Consulting Services Private Limited	-	-	0.59
Nil (31 Mar 22 Nil, 31 Mar 21 Nil, 1 Apr 20 597,760 equity Shares having Face Value of Rs.1/- each)	-	-	**0.59**

4.2 Other financial assets

	As at		
	31-Mar-22	**31-Mar-21**	**1-Apr-20**
Security Deposits paid	3.86	3.59	3.34
	3.86	**3.59**	**3.34**

5 Other non-current assets

	As at		
	31-Mar-22	**31-Mar-21**	**1-Apr-20**
Prepaid expenses	-	-	20.28
Advance tax and Tax deducted at Source (Net)	-	-	-
	-	-	**20.28**

Current Assets

6 Financial Assets

6.1 Trade receivables (Unsecured)

	As at		
	31-Mar-22	**31-Mar-21**	**1-Apr-20**
(ii) Other trade receivables:			
Unsecured, considered good	112.78	115.38	144.41
Unsecured, credit impaired	5.32	11.71	13.47
	118.10	**127.09**	**157.88**
Less: Allowance for expected credit losses	(5.32)	(11.71)	(13.47)
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables credit impaired	-	-	-
	112.78	**115.38**	**144.41**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

	Outstanding for following period from due date of payment					
	< 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	**Total**
31-Mar-22						
Undisputed trade receivables - considered good	112.78	-	-	-	-	112.78
Undisputed trade receivables - credit impaired	1.31	3.16	0.86	-	-	5.32
31-Mar-21						
Undisputed trade receivables - considered good	109.26	14.42	3.41	-	-	127.09
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Total	**109.26**	**14.42**	**3.41**	-	-	**127.09**
1-Apr-20						
Undisputed trade receivables - considered good	124.15	16.39	3.87	-	-	144.41
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Total	**124.15**	**16.39**	**3.87**	-	-	**144.41**

	Aging				
	< 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**> 3 years**
Default rate	1.00%	50.00%	100.00%	100.00%	100.00%

Movement in expected credit loss allowance	As at		
	31-Mar-22	**31-Mar-21**	**1-Apr-20**
Balance at the beginning of the year	11.71	13.47	-
Expected credit losses at the date of transition to Ind AS			13.47
Provision for expected credit losses written back	-	(1.76)	
Balance at the end of the year	**11.71**	**11.71**	**13.47**

(Amount in Rs Millions, unless otherwise stated)

6.2 Cash and Cash Equivalents

	As at 31-Mar-22	31-Mar-21	1-Apr-20
Cash on hand	-	-	0.14
(c) Balances with banks :			
(i) In current accounts	102.27	55.41	41.02
(ii) In deposit accounts	-	-	18.21
	102.27	**55.41**	**59.37**
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 *Cash Flow Statements* is	102.27	55.41	59.37

6.3 Loans

	As at 31-Mar-22	31-Mar-21	1-Apr-20
Loans and advances to related parties	1.00	61.28	27.19
Employee advances	0.15	0.10	0.69
	1.15	**61.38**	**27.88**
Loans and advances made to Directors/KMPs	-	-	19.78
Loans and advances made to Promoters	-	-	-

6.4 Other financial assets
(Unsecured and considered good, unless stated otherwise)

	As at 31-Mar-22	31-Mar-21	1-Apr-20
Unbilled revenue	81.49	89.27	84.08
Receivable on sale of property plant and equipemt	30.70	1.90	-
	112.19	**91.17**	**84.08**

7 Other Assets
(Unsecured and considered good, unless stated otherwise)

	As at 31-Mar-22	31-Mar-21	1-Apr-20
Advance to suppliers	2.84	14.55	4.51
	2.84	**14.55**	**4.51**

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(Amount in Rs Millions, unless otherwise stated)

8 Equity Share Capital

	31-Mar-22		As at 31-Mar-21		1-Apr-20	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
(a) Authorised:						
(i) Equity Share Capital						
Equity Shares of Rs.10/- each	1,50,00,000	150.00	1,50,00,000	150.00	1,50,00,000	150.00
Total	**1,50,00,000**	**150.00**	**1,50,00,000**	**150.00**	**1,50,00,000**	**150.00**
(b) Issued, Subscribed and Fully paid-up:						
(i) Equity Share Capital						
Equity shares of Rs. 10/- each*	83,52,531	83.53	83,52,531	83.53	83,52,531	83.53
Total	**83,52,531**	**83.53**	**83,52,531**	**83.53**	**83,52,531**	**83.53**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	31-Mar-22		31-Mar-21		1-Apr-20	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10/- each						
At the beginning of the period/year	83,52,531	83.53	83,52,531	83.53	83,52,531	83.53
Add: Issued during the period/year			-	-	-	-
Outstanding at the end of the period/year	**83,52,531**	**83.53**	**83,52,531**	**83.53**	**83,52,531**	**83.53**

(ii) Terms / rights attached to the Equity Shares:

Rights, preferences and restrictions attached to shares Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shareholders holding more than 5% of the share capital:
Equity Shares

Name of the Shareholder	31-Mar-22		31-Mar-21		1-Apr-20	
	Number of shares held	% of holding	Number of shares held	% of holding	Number of shares held	% of holding
Innovsource Services Private Limited	55,41,900	66.35%	-	-	-	-
Firstmeridian Business Services Private Limited	7,22,493.00	8.65%	-	-	-	-
Renuka Tadakamalla	13,40,584	16.05	63,89,694	76.50%	53,87,382	64.50%
Vadarevu Venkata Sesha Chalapati Rao	-	-	-	0.00%	8,35,254	10.00%
Malladi Vasu	-	-	7,43,371	8.90%	4,92,795	5.90%
Aitharaju Prameela	-	-	5,59,622	6.70%	-	0.00%

(iv) Shareholding of promoters

Equity shares of ₹ 10/- each	31-Mar-22			31-Mar-21			1-Apr-20	
	Number of shares held	% of holding	% change during the period	Number of shares held	% of holding	% change during the year	Number of shares held	% of holding
Innovsource Services Private Limited	55,41,900	66.35%	100.00%	-	-	-	-	-
Firstmeridian Business Services Private Limited	7,22,493	8.65%	100.00%	-	-	-	-	-
Venkatesan Vinodh	3,29,922	3.95%	100.00%	-	-	-	-	-
Manish Mehta	1.00	-	0.00%	-	-	-	-	-
Nilay Pratik	1.00	-	0.00%	-	-	-	-	-
Satish Srinivasan	1.00	-	0.00%					
Surya Sudheer Meduri	1.00	-	0.00%	-	-	-	-	-
Shiv B Maliwal	1.00	-	0.00%	-	-	-	-	-
Renuka Tadakamalla	13,40,584	16.05%	-79.02%	63,89,694	76.50%	18.60%	53,87,382	64.50%
Vadarevu Venkata Sesha Chalapati Rao	-	-	0.00%	-	0.00%	-100.00%	8,35,254	10.00%
Malladi Vasu	2,50,576	3.00%	-66.29%	7,43,371	8.90%	50.85%	4,92,795	5.90%
Aitharaju Prameela	1,67,051	2.00%	-70.15%	5,59,622	6.70%	100.00%	-	0.00%

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See accompanying notes forming part of the Restated financial statements

(Amount in Rs Millions, unless otherwise stated)

9 Other Equity

	As at 31-Mar-22	As at 31-Mar-21	As at 1-Apr-20
Retained earnings/(deficit)			
Retained earnings/(defecit) comprise of the Company's current and prior years' undistributed earnings after taxes or accumulated losses.	185.88	100.90	67.12
	185.88	**100.90**	**67.12**

	As at 31-Mar-22	As at 31-Mar-21	As at 1-Apr-20
Retained earnings/(deficit)			
Opening balance	100.90	67.12	97.68
Profit/(loss) for the period/year	80.23	29.93	(28.64)
Add: Transition adjustment on account of Ind AS 116 (Refer Note 31)	-	-	(3.79)
Remeasurements of the defined benefit liabilities / (asset) net of tax	4.75	3.85	1.87
Closing balance	**185.88**	**100.90**	**67.12**

Non-current Liabilities

10.1 Long term borrowings

	As at 31-Mar-22	As at 31-Mar-21	As at 1-Apr-20
Term loan from banks			
HDFC Bank Ltd [Refer note (i) below]	-	1.04	1.43
ICICI Bank Ltd [Refer note (ii) below]	-	28.79	-
Yes Bank Ltd [Refer note (iii) below]	-	-	0.93
Yes Bank Ltd [Refer note (iv) below]	-	1.42	1.82
HDFC Bank Ltd [Refer note (v) below]	-	-	0.83
Term loan from others			
BMW Financial Services [Refer note (vi) below]	-	-	2.56
India Bulls Ltd [Refer note (vii) below]	-	-	10.64
Audi Financial Services [Refer note (viii) below]	-	-	2.33
	-	**31.25**	**20.54**

Terms and conditions and repayment details of long term borrowings

Particulars			
(i) Borrowing of Rs.2,325,000 for purchase of Vehicle repayable over a period of 5 years at rate of 8.05% p.a secured against Vehicle	-	1.04	1.43
(ii) Borrowing of Rs.1,19,00,000 and Rs.1,95,87,923 towards purchase of building repayable over a period of 180 months and interest rate at 7.55% and 7.25% respectively secured against Building.	-	28.79	-
(iii) Borrowing of Rs.2,228,416 towards purchase of Vehicle repayable over a period of 60 months carrying an interest rate of 9.30% p.a secured against Vehicle.	-	-	0.93
(iv) Borrowing of Rs.2,228,416 towards purchase of Vehicle repayable over a period of 60 months carrying an interest rate of 9.30% p.a secured against Vehicle.	-	1.42	1.82
(v) Borrowing towards purchase of Vehicle repayable over a period of 36 months carrying an interest rate of 7.99% secured against Vehicle	-	-	0.83
(vi) Borrowing of Rs. 3,356,769 towards purchase of Vehicle repayable over a period of 36 months at the rate of 7.99% p.a ssecured against Vehicle.	-	-	2.56
(vii) Borrowing of 2,00,00,000 towards purchase of Building repayable over a period of 180 months carrying an interest rate of 9.15% p.a secured against Building.	-	-	10.64
(viii) Borrowing of Rs. 3,200,000 towards purchase of vehicle repayable over a period of 84 months carrying an interest of 8.60% p.a secured against Vehicle	-	-	2.33
	-	**31.25**	**20.54**

10.2 Provisions

	As at 31-Mar-22	As at 31-Mar-21	As at 1-Apr-20
(a) Provision for employee benefits			
Provision for Gratuity [Refer note 25.1.b]	8.74	9.46	7.81
	8.74	**9.46**	**7.81**

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(Amount in Rs Millions, unless otherwise stated)

Cu nt Liabilities

11 Financial Liabilities

11.1 Short term borrowings

Particulars	As at 31-Mar-22	31-Mar-21	1-Apr-20
Secured			
Current maturities of long term borrowings	-	2.29	8.08
Working capital loan from banks (Refer note (a) below)	-	104.11	106.63
Loan fron directors - Unsecured (Refer note (b) below)	-	-	0.54
Loan from others (Refer note (c) below)	-	7.50	5.00
Total	-	**113.90**	**120.25**

Terms and conditions

(a) Working capital loan from banks carries an interest rate of 11.75%. Secured against trade receivables
(b) Loan from directors are unsecured, repayable on demand and are interest free
(c) Loan from others are unsecured, repayable on demand and are intererst free

11.2 Trade payables

Particulars	As at 31-Mar-22	31-Mar-21	1-Apr-20
Trade payables			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises (Refer Note 21)	11.60	39.55	133.21
	11.60	**39.55**	**133.21**

	Outstanding for following period from due date of payment < 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	Total
31-Mar-22						
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises (Refer Note 21)	11.60	-	-	-	-	11.60
	11.60	-	-	-	-	**11.60**
31-Mar-21						
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises (Refer Note 21)	98.48	1.38	0.03	0.01	0.30	100.20
Total	**98.48**	**1.38**	**0.03**	**0.01**	**0.30**	**100.20**
1-Apr-20						
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises (Refer Note 21)	130.92	1.83	0.04	0.01	0.40	133.21
Total	**130.92**	**1.83**	**0.04**	**0.01**	**0.40**	**133.21**

11.3 Other financial liabilities

Particulars	As at 31-Mar-22	31-Mar-21	1-Apr-20
Consideration payable on business combination	-	3.50	-
Accrued compensation to employees	69.24	60.65	-
Others	2.12	-	-
	71.36	**64.15**	-

12 Provisions

Particulars	As at 31-Mar-22	31-Mar-21	1-Apr-20
(a) Provision for employee benefits			
Provision for leave salary	3.16	3.02	1.02
Provision for Gratuity [Refer note 22.1.b]	0.35	-	-
	3.51	**3.02**	**1.02**

13 Other Liabilities

Particulars	As at 31-Mar-22	31-Mar-21	1-Apr-20
Statutory remittances	45.84	49.06	77.21
	45.84	**49.06**	**77.21**

(Amount in Rs Millions, unless otherwise stated)

14 Revenue from operations

	Year ended 31-Mar-22	Year ended 31-Mar-21
Revennue from contract with customers		
(a) **Sale of services**		
Income from staffing and recruitment services	1,158.53	1,017.74
	1,158.53	**1,017.74**

(i) Disaggregation of revenue from contracts with customers

Revenue from external customers		
Income from staffing and recruitment services	1,158.53	1,017.74
	1,158.53	**1,017.74**
Time of revenue recognition		
-At a point in time	1,158.53	1,017.74
-Over time	-	-

(ii) Contract balances

The Company earns revenue from staffing and recruitment. The performance obligation of the Company is to provide staffing and recruitments, which are fulfilled at a point in time. There are no material unsatisfied performance obligations or reconciling items between the amounts recognised as revenue and contract price as at March 31, 2022 and March 31, 2021.

Contract assets		
Trade receivables (Refer note (i) below)	112.78	115.38
Unbilled revenue (Refer note (ii) below)	81.49	89.27
	194.27	**204.65**
Contract liabilities		-

(i) Trade receivables are non-interest bearing and are generally on credit terms of upto 30 days.

(ii) Unbilled revenue pertains to transactions where performance obligation has been satisfied and contractual invoices have not been raised.

15 Other income

		Year ended 31-Mar-22	Year ended 31-Mar-21
(a)	Interest income from		
	-bank deposits	-	0.43
	-financial assets at amortised cost	0.27	0.25
	-income tax refund	3.01	4.91
(b)	Liabilities no longer required written back	0.59	3.18
(c)	Profit on sale of property plant and equipment	1.33	-
Total		**5.20**	**8.77**

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16 Employee benefit expenses	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Salaries, wages and bonus	804.79	630.45
Contributions to provident fund (Refer Note 22.1.a)	22.81	17.52
Gratuity expenses (Refer Note 22.1.b)	6.87	7.02
Staff welfare expenses	1.60	2.34
Contribution to provident and other funds	0.50	0.87
Total	**836.57**	**658.20**

18 Finance costs	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Interest on borrowings	10.92	15.46
Interest on lease liabilities	1.48	2.20
Interest on delayed payment of taxes	6.64	9.00
Total	**19.04**	**26.66**

19 Other expenses	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Rent including lease rentals	4.80	4.37
Power, fuel and water charges	1.36	1.84
Repairs and Maintenance - Others	0.37	1.02
Office Maintenance	3.12	3.29
Vehicle Maintenance	0.48	0.50
Insurance	4.17	3.05
Rates and Taxes	5.85	3.46
Communication expenses	3.03	3.49
Travelling and Conveyance	4.75	7.64
Business promotion expenses	0.72	0.95
Professional / Consultancy / Technical fees	150.53	220.91
Payments to Auditors (Refer note 1 below)	0.40	0.40
Bad debts written off (Refer note 2 below)	1.75	20.25
Corporate Social Responsibility	1.15	1.74
Loss on sale of property plant and equipment	-	1.27
Printing and stationery	0.08	0.11
Bank charges	0.69	0.52
Provision for allowance for doubtful trade and other receivables	(6.39)	(1.76)
Total	**176.86**	**273.05**

Note 1 - Payments to auditors: **Particulars**	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Payments to auditors comprises (net of service tax input credit, where applicable):		
Statutory audit fees	0.40	0.30
For tax audit and certification fees	-	0.10
Total	**0.40**	**0.40**

Note 2 - Bad debts written off **Particulars**	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Bad debts written off	1.75	20.25
Bad debts written off from provision of doubtful debts	-	-
Total	**1.75**	**20.25**

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Additional information to the financial statements

Note	Particulars	31-Mar-22	31-Mar-21	1-Apr-20
20	**Contingent liabilities and commitments (to the extent not provided for)**			
(i)	Contingent liabilities:			
	Income tax matters under appeal	10.72	10.72	-
(ii)	Commitments:	-	-	-

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursement in respect of the above contingent liabilities.

21 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31-Mar-22	31-Mar-21	1-Apr-20
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv)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 the MSMED Act	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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Note **Particulars**

22 **Employee benefit plans**

22.1.a Defined contribution plans - provident fund

The Company makes Provident Fund scheme contributions to defined contribution plans and Employee State insurance scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21	1-Apr-20
Provident fund	22.81	17.52	18.93
Employee state insurance	0.43	0.80	0.83

22.1.b Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through valuation carried out by actuary included as part of 'Gratuity expenses' in Note 16 Employee benefit expense. Under this plan, the settlement obligation remains with the Company. This is an unfunded plan.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

A Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

B Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

C Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

D Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

E Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time.

F The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The following table sets out the funded status of the gratuity scheme:

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21	01-Apr-20
Components of employer expense			
Current service cost	6.24	6.50	9.96
Past service cost	-	-	-
Interest cost	0.63	0.52	0.35
Net transfer of asset/(liability)	-	-	-
Expected return on plan assets	-	-	-
Recognised in statement of profit and loss	6.87	7.02	10.31
Re-measurement - actuarial (gain)/loss recognised in OCI	(6.35)	(5.15)	(2.50)
Total expense recognised in the Statement of total comprehensive income	**0.52**	**1.87**	**7.81**
Other Comprehensive Income (OCI)			
Actuarial (gain)/loss due to DBO experience	(6.05)	(5.11)	(2.91)
Actuarial (gain)/loss due to DBO assumption changes	(0.30)	(0.04)	0.41
Actuarial (gain)/loss arising during period	(6.35)	(5.15)	(2.50)
Actual return on plan assets (greater)/less interest on plan assets	-	-	-
Actuarial (gains)/ losses recognized in OCI	(6.35)	(5.15)	(2.50)

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Note	Particulars	31-Mar-22	31-Mar-21	01-Apr-20
	Defined Benefit Cost			
	Service cost	6.24	6.50	9.96
	Net interest on net defined benefit liability / (asset)	0.63	0.52	0.35
	Actuarial (gains)/ losses recognized in OCI	(6.35)	(5.15)	(2.50)
	Defined Benefit Cost	**0.52**	**1.87**	**7.81**
	Change in defined benefit obligation (DBO) during the year			
	Present value of DBO at beginning of the year	9.46	7.81	-
	Current service cost	6.24	6.50	9.96
	Past service cost	-	-	-
	Interest cost	0.63	0.52	0.35
	Actuarial (gains) / losses	(6.35)	(5.15)	(2.50)
	Liabilities assumed/(settled)*			-
	Benefits paid	(0.89)	(0.22)	-
	Present value of DBO at the end of the year	**9.09**	**9.46**	**7.81**
	* On account of business combination or inter group transfer			
	Actual contribution and benefit payments for year			
	Actual benefit payments	0.89	0.22	-
	Actual contributions	0.89	0.22	-
	Change in fair value of assets during the year			
	Plan assets at beginning of the year	-	-	-
	Expected return on plan assets	-	-	-
	Actual company contributions	0.89	0.22	-
	Employer direct benefits payment	-	-	-
	Actuarial gain / (loss)	-	-	-
	Benefits paid	(0.89)	(0.22)	-
	Plan assets at the end of the year	-	-	-
	Actual return on plan assets	-	-	-
	Current and Non Current Liability portion			
	Particulars			
	Current Liability	(0.35)	(0.09)	-
	Non Current Asset/ (Liability)	(8.74)	(9.46)	(7.81)
	Net Asset/(Liability)	(9.09)	(9.55)	(7.81)
	Net asset / (liability) recognised in the Balance Sheet			
	Present value of defined benefit obligation	9.09	9.46	7.81
	Fair value of plan assets	-	-	-
	Funded status [Surplus / (Deficit)]	(9.09)	(9.46)	(7.81)
	Net asset / (liability) recognised in the Balance Sheet	**(9.09)**	**(9.46)**	**(7.81)**
	Actuarial assumptions			
	Discount rate	7.12%	6.71%	6.65%
	Attrition rate			
	18-30 years	12.00%	10.00%	12.00%
	31-40 years	8.00%	5.00%	8.00%
	41 & +	1.00%	1.00%	1.00%
	Salary escalation	4.00%	4.00%	4.00%

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Note **Particulars**

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity Plan	31-Mar-22	31-Mar-21	01-Apr-20
Estimate value of obligation if discount rate is taken 1% higher	8.44	8.92	7.39
Estimated value of obligation if discount rate is taken 1% lower	9.85	10.09	8.29
Estimate value of obligation if salary growth rate is taken 1% higher	9.87	10.10	8.30
Estimate value of obligation if salary growth rate is taken 1% lower	8.42	8.90	8.30
Estimate value of obligation if attrition rate is taken 1% lower	10.81	11.78	9.78
Estimate value of obligation if attrition rate is taken 1% lower	6.85	6.45	5.15

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	31-Mar-22	31-Mar-21	01-Apr-20
1 year	-	-	-
2-5 years	0.30	-	0.26
6-10 years	0.27	-	-
More than 10 years	13.11	3.14	3.14

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Note

23 The CODM of the Company has identified the Business segment of the company primarily relates to the staffing and recruitment. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Company are United States of America.

(b) Secondary Geographic Segment Information

Geographic Segment		Revenues	Segment assets		Capital expenditure
United States of America					
	31-Mar-22	41.32	13.30		-
	31-Mar-21	12.60	30.82		-
	1-Apr-20	-	-		-
India					
	31-Mar-22	1,117.21	411.82		0.35
	31-Mar-21	1,005.14	489.13		29.03
	1-Apr-20	-	544.96		-
Total					
	31-Mar-22	**1,158.53**	**425.12**	-	**0.35**
	31-Mar-21	**1,017.74**	**519.95**	-	**29.03**
	1-Apr-20	-	**544.96**	-	-

24 **Related party transactions**

A. **Details of related parties:**

Name of related parties	Description of relationship
FirstMeridian Business Services Limited	Ultimate Holding Company (With effect from 2 Feb 22)
Innovsource Services Private Limited	Holding Company (With effect from 2 Feb 22)
Accelsap Consulting Services Private Limited	Entity in which KMP has significant influence
Trikuta Labs Limited	Entity in which KMP has significant influence
Dataformix Technologies	Entity in which KMP has significant influence
Aitharaju Srikanth	Key management personnel
Venkatesan Vinodh	Key management personnel
Renuka Tadakamalla	Key management personnel
Malladi Vasu	Key management personnel

B. **Details of transactions during the year and balance outstanding as at the balance sheet date:**

Related parties	Nature of transactions:	31-Mar-22	31-Mar-21
Dataformix Technologies	Income from staffing and recruitment services	-	29.43
FirstMeridian Business Services Limited	Salaries and wages - Employee stock option amortisation	0.17	-
Aitharaju Srikanth	Loans given/(repaid)	-	20.96
Trikuta Labs Limited	Loans taken	-	5.64
Trikuta Labs Limited	Loans repaid	-	(18.94)
Accelsap Consulting Services Private Limited	Loans given	-	1.35
Accelsap Consulting Services Private Limited	Loans recovered	-	(6.25)
Dataformix Technologies	Loans given/(repaid)	-	31.33
Venkatesan Vinodh	Remuneration	10.31	22.41
Bharti Gupta	Remuneration		
Aitharaju Srikanth	Professional Services	-	1.96
Venkatesan Vinodh	Professional Services	-	1.96
Aitharaju Srikanth	Sale of Building	31.01	-

Outstanidng balances as at

Particulars	Related Party	31-Mar-22	31-Mar-21	1-Apr-20
(i) Loans and advances given	Trikuta Labs Limited	-	-	13.30
	Accelsap Consulting Services Private Limited	-	-	4.90
	Dataformix Technologies	1.00	31.33	-
	Aitharaju Srikanth	-	29.95	8.99
(ii) Loans and advances taken	Dataformix Technologies	-	-	0.54
(iii) Trade receivables	Dataformix Technologies	33.18	30.14	2.55
(iv) Trade payables	FirstMeridian Business Services Limited	0.17	-	-

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

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Note	Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
25	**Earnings per equity share**		
	Profit \ (Loss) attributable to equity shareholders	80.23	29.93
	Weighted average number of equity shares (Nos.)	83,52,531	83,52,531
	Par value per equity share (Rs.)	10.00	10.00
	Earnings/(loss) per share - Basic & Diluted (Rs.)	9.61	3.58

Note	Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
26	**Income Tax recognised:**		
	A Current Tax:		
	Statement of profit and loss	29.96	20.79
	Other comprehensive income	-	-
	Deferred Tax:		
	Statement of profit and loss	4.41	(0.43)
	Other comprehensive income	1.60	1.30
	Total		
	Current tax	29.96	20.79
	Deferred tax	6.01	0.87

B Movment in deferred tax assets	Year ended 31-Mar-22	Year ended 31-Mar-21
Opening balance	6.50	7.37
Recognised in statement of profit and loss		
Arising on account of Ind AS 116	(0.27)	0.08
Arising out of property plant and equipment and Intangibles	(5.84)	(0.17)
Arising on account of employee benefits	(0.06)	0.96
Arising on account of loss allowance on trade receivables	(1.61)	(0.44)
Others	0.17	-
Recognised in other comprehensive income		
Remeasurements of the defined benefit liabilities	1.60	(1.30)
Closing balance	**0.49**	**6.50**

C Deferred tax assets	As at 31-Mar-22	31-Mar-21	1-Apr-20
Arising on account of adoption of Ind AS 116	0.78	1.05	0.97
Arising out of property plant and equipment and Intangibles	(5.09)	0.75	0.92
Arising on account of employee benefits	3.29	1.75	2.09
Arising on account of loss allowance on trade receivables	1.34	2.95	3.39
Others	0.17	-	-
	0.49	**6.50**	**7.37**

D Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	Year ended 31-Mar-22	Year ended 31-Mar-21
Profit/(loss) before tax as per statement of profit and loss	114.60	50.29
Statutory income tax rate	25.17%	25.17%
Income tax on accounting profit at statutory income tax rate	28.84	12.66
Income tax of earlier years		-
Tax effect on non-deductible expenses	5.53	7.70
Others		-
Tax credit reported in the restated consolidated statement of profit and loss	34.37	20.36

(Amount in Rs Millions, unless otherwise stated)

26 On 30 March 2019, the Ministry of Corporate Affairs had notified Ind AS 116, Leases, replacing the existing leases standard, Ind AS 17, Leases, and related interpretations. The new lease standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:
Full retrospective : Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective : Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.
The Company has entered into leasing arrangements in respect of office premise. The leasing arrangements, which are generally cancellable, have lease periods ranging between 11 and 60 months. They are generally renewable by mutual consent on mutually agreeable terms. The operating leases are cancellable by lessor/lessee with notice period up to three months.

The following is the summary of practical expedients elected by the Company on the initial application:
Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b. Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments

c. There is no substantive change to other terms and conditions of the lease.
The Company has discounted lease payments using the applicable incremental borrowing rate as on the lease date, for measuring the lease liability.

Movement in right-of-use assets and lease liabilities during the year:	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Right-of-use assets		
Gross block		
As at the date of Transition i.e 1 Apr 20		
Opening balance	-	-
Additions	41.50	41.50
Deletions	-	-
Closing balance	-	-
	41.50	**41.50**
Accumulated depreciation		
As at the date of Transition i.e 1 Apr 20		
Opening balance	-	-
Depreciation for the year	19.88	10.20
	9.68	9.68
	29.56	**19.88**
Net block		
	11.94	**21.62**

Lease liabilities	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
As at the date of Transition i.e 1 Apr 20		
Opening balance		
Additions	25.13	34.27
Interest	-	-
Rent concessions on lease rentals on account of COVID	1.48	2.20
Lease payments	-	-
Closing balance	(11.96)	(11.34)
Current	**14.65**	**25.13**
Non-current	10.14	10.47
	4.52	14.66

Maturity analysis of OLL	**31-Mar-22**	**As at 31-Mar-21**	**1-Apr-20**
1 year			
1 to 5 years	12.56	11.96	11.34
More than 5 years	2.80	15.36	27.33
	-	-	-

	Year ended 31-Mar-22	**Year ended 31-Mar-21**
Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss	4.80	4.37

(Amount in Rs Millions, unless otherwise stated)

30 Fair value hierarchy

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).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2022 and March 31, 2021

Particulars	**As at**	**Date of valuation**	**Total**	**Fair value measurement using**		
				Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value:						
1 FVTPL financial assets designated at fair value:						
Investment in equity instruments (unquoted)	31-Mar-22	NA	-	-	-	-
	31-Mar-21	NA	-	-	-	-
	01-Apr-20	01-Apr-20	0.59	-	-	0.59

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

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29 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2022, March 31, 2021 and April 1, 2020 is as follows:

Particulars	Carrying value as at			Fair value as at		
	31-Mar-22	31-Mar-21	01-Apr-20	31-Mar-22	31-Mar-21	01-Apr-20
Amortised cost						
Loans	113.34	152.55	111.96	113.34	152.55	111.96
Trade receivable	112.78	115.38	144.41	112.78	115.38	144.41
Cash and cash equivalents	102.27	55.41	59.37	102.27	55.41	59.37
Fair Value through profit and loss (FVTPL)						
Investments	-	-	0.59	-	-	0.59
Total assets	**328.39**	**323.34**	**316.33**	**328.39**	**323.34**	**316.33**
Financial liabilities						
Amortised cost						
Long term borrowings	-	33.54	28.62	-	33.54	28.62
Short-term borrowings	-	111.61	112.17	-	111.61	112.17
Trade payables	11.60	39.55	133.21	11.60	39.55	133.21
Other financial liabilities	71.36	64.15	-	71.36	64.15	-
Total liabilities	**82.96**	**248.85**	**274.00**	**82.96**	**248.85**	**274.00**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) Non-current investments are evaluated by the Company based on parameters such as performance of the entity considering the discounted cashflow.

(Amount in Rs Millions, unless otherwise stated)

31 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borowings to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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 and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Revenue from top customer	222.18	328.80
Revenue from top 5 customers	643.95	683.59

One customer accounted for more than 25% of the revenue for the period ended March 31, 2022 and one of the customers accounted for more than 21.47% of the receivables as at March 31, 2022. One customer accounted for more than 32.44% of the revenue for the year March 31, 2021 and one of the customers accounted for more than 24.12% of the receivables as at March 31, 2021.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

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 through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at 31-Mar-22	As at 31-Mar-21	As at 01-Apr-20
Cash and cash equivalents	102.27	55.41	59.37
Total	**102.27**	**55.41**	**59.37**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022, March 31, 2021 and April 1, 2020

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Long term borrowings	31-Mar-22	-	-	-
	31-Mar-21	2.29	2.65	28.60
	01-Apr-20	8.08	1.33	19.21
Short-term borrowings	31-Mar-22	-		
	31-Mar-21	113.90	-	-
	01-Apr-20	120.25	-	-
Trade payables	31-Mar-22	11.60		
	31-Mar-21	39.55	-	-
	01-Apr-20	133.21	-	-
Other financial liabilities	31-Mar-22	57.70		2.80
	31-Mar-21	73.92	-	15.36
	01-Apr-20	-	-	-

(Amount in Rs Millions, unless otherwise stated)

Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars) and foreign currency borrowings (primarily in U.S. dollars). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company management believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

.The following table presents foreign currency risk from non-derivative financial instruments as of

Particulars	As at	US$	Total
Liabilities			
Trade receivables	31-Mar-22	13.13	13.13
	31-Mar-21	30.82	30.82
	01-Apr-20	-	-
Trade payables	31-Mar-22	(0.65)	(0.65)
	31-Mar-21	(1.10)	(1.10)
	1-Apr-20	-	-
Net assets/(liabilities)	**31-Mar-22**	13.78	**13.78**
	31-Mar-21	31.92	**31.92**
	1-Apr-20	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates an decrease in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be positive.

Particulars	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Impact on profit or (loss) for the year	(0.69)	(1.60)

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

Particulars	**Year ended 31-Mar-22**	**Year ended 31-Mar-21**
Impact on profit or (loss) for the year	1.46	2.06

If interest rates were 1% lower, the company's profit would have increased or loss would have decreased by the equivalent amount as shown in the above table.

32 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

Particulars	**As at 31-Mar-22**	**31-Mar-21**	**01-Apr-20**
Total equity attributable to the equity share holders of the company	269.41	184.43	150.65
Current borrowings	10.14	124.37	120.25
Non-current borrowings	4.52	45.91	20.54
Total borrowings	14.66	170.28	140.79
Total capital (borrowings and equity)	**284.07**	**354.71**	**291.44**

(Amount in Rs Millions, unless otherwise stated)

33 Transition to Ind AS

The Company's financial statements for the year ended March 31, 2021 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2020 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the interim Ind AS financial statements for the year ended March 31, 2021 be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as at the transition date have been recognized directly in equity at the transition date.

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

(a) Exceptions from full retrospective application:

Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

(b) Exemptions from retrospective application:

The Company has elected to restate the carrying value of the plant and equipment in accordance with Ind AS, as of April 01, 2020 (transition date) as its deemed cost as of the transition date.

(c) Reconciliations:

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

-equity as at April 1, 2020;
-equity as at March 31, 2021;
-total comprehensive income for the year ended March 31, 2021;
- explanation of material adjustments to cash flow statements.

(A) Equity Reconciliation

	Explanation Note	As at 31-Mar-21	As at 01-Apr-20
Equity as per previous GAAP		203.79	218.54
(a) Impact on account of Ind AS 19	(i)	(6.71)	(8.30)
(b) Inpact on account of Ind AS 116	(ii)	(4.09)	(3.79)
(c) Impact on account of measuring interest free rental deposit at amortised cost	(iii)	(0.05)	(0.04)
(d) Impact on account of accounting prior period as at 31 March 2020	(iv)	-	(48.81)
(e) Impact on account of expected credit losses on trade receivables	(v)	(11.71)	(13.47)
(f) Accounting of business combination	(vi)	(2.52)	-
(g) Deferred tax impact on account of the above as applicable		5.72	6.52
Equity as per Ind AS		184.43	150.65

(B) Total comprehensive income reconciliation

		Year ended 31-Mar-21
Net income/(loss) under previous GAAP		(14.75)
(a) Impact on account of Ind AS 19	(i)	1.59
(b) Inpact on account of Ind AS 116	(ii)	(0.30)
(c) Impact on account of measuring interest free rental deposit at amortised cost	(iii)	(0.01)
(d) Impact on account of accounting prior period as at 31 March 2020	(iv)	48.81
(e) Remeasurement of defined benefit obligations	(i)	(3.85)
(f) Impact on account of expected credit losses on trade receivables	(v)	1.76
(g) Accounting of business combination	(vi)	(2.52)
(h) Deferred tax impact on account of the above as applicable		(0.80)
Profit for the year under Ind AS		29.93
Remeasurement of defined benefit obligations		3.85
Total comprehensive income under Ind AS		33.78

(C) There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Explanation notes for Ind AS transition:

(i) Under the previous GAAP, actuarial gains or losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains or losses from part of remeasurement of the net defined benefit liability / asset is recognised in other comprehensive income. Change in the defined benefit obligation on account of Ind AS is recognised in the statement of profit and loss.

In addition to the above there were also some changes in the defined benefit plan liability on adoption of Ind AS by the Company which has been adjusted in the opening retained earnings as at 31 Mar 21 and statement of total comprehensive income for the year ended 31 Mar 22