Independent Auditor's Report
To the Members of Teamlease Regtech Private Limited
(Formerly known as "Avantis Regtech Private Limited")

Report on the Audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Teamlease Regtech Private Limited ("the Company "), which comprise the Balance Sheet as at March 31, 2023, and the and the Statement of Profit and Loss Account (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and total comprehensive income (comprising loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAS) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and auditor's report thereon. The Directors report is expected to be made available to us after the date of this auditor's report.
   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

7. 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.

8. As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional scepticism throughout the audit. We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

9. 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.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

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

(ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2023.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

(iv) (a) The management has represented that, to the best of its knowledge and belief, 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.

(iv) (b)The management has represented that, to the best of its knowledge and belief, 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

(iv) (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

13. The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For ARTH and Associates
Chartered Accountants
Firm Registration Number 100868W

ARTI SAMIR TELANG
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Date: 2023.05.09 17:39:51 +05'30'

Arti Telang
Partner
Membership Number :113368
UDIN: 23113368BGQXDB2278

Date: May 09, 2023
Place: Pune

Annexure A to Independent Auditors' Report

Referred to in paragraph [12(f)] of the Independent Auditors' Report of even date to the Members of Teamlease Regtech Private Limited (formerly known as "Avantis Regtech Private Limited") on the financial statements for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Teamlease Regtech Private Limited (formerly known as "Avantis Regtech Private Limited") ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and

Annexure A to Independent Auditors' Report

Referred to in paragraph [12(f)] of the Independent Auditors' Report of even date to the Members of Teamlease Regtech Private Limited (formerly known as "Avantis Regtech Private Limited") on the financial statements for the year ended March 31, 2023.

fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 ARTH and Associates
Chartered Accountants
Firm Registration Number 100868W

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Arti Telang
Partner
Membership Number :113368
UDIN: 23113368BGQXDB2278

Date: May 09, 2023
Place: Pune

Annexure B to Independent Auditors' Report

Referred to in paragraph [11] Of the Independent Auditors' Report of even date to the Members of Teamlease Regtech Private Limited (Formerly known as “Avantis Regtech Private Limited”) on the financial statements as of and for the year ended March 31,2023.

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management at the year end and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties. Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.

(e) Based on the information no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, Therefore, the provisions of clause 3(i)(e) of the Order are not applicable to the Company.

ii.(a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

ii (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the provisions of clause 3(ii)(b) of the Order are not applicable to the Company..

iii.(a) There were no loans /advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(b) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company.

vii.(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing the undisputed statutory dues, including, provident fund, employees' state insurance, income tax (TDS), goods and service tax (GST). The Company has been regular in depositing profession tax and with the applicable authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Employee State Insurance Act, 1948	ESIC Dues	45,883	March 21- September 21	Various	Not yet paid	
Employee State Insurance Act, 1948	ESIC Dues	3,703	April-June 22	Various	Not yet paid	
Employee State Insurance Act, 1948	ESIC Dues	2,673	March 22	April 22	Not yet paid	
Provident Fund Act, 1952	Provident Fund	7,200	May 21	June 21	April 23	
Provident Fund Act, 1952	Provident Fund	3,134	April 22	May 22	April 23	
Provident Fund Act, 1952	Provident Fund	21,177	July 22	Aug 22	April 23	

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix.(a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d)According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that 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.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, no reporting under clause ix(g) is required to be made.

(x)(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b). The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi)(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(xi)(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii.The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

(xiv) The Company is not mandated to have an internal audit system during the year.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(xvi)(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi)(d) Based on the information and explanations provided by the Management of the Company, the Group does not have any CIC's , which are part of the group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause (xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year under reporting but have incurred cash losses of INR 159.12 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 42 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) (a) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For ARTH & Associates,
Chartered Accountants,
Firm Registration Number: 100868W

ARTI SAMIR TELANG

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Date: 2023.05.09 18:29:40 +05'30'

Arti Telang
Partner
Membership Number :113368
UDIN: 23113368BGQXDB2278

Date: May 09, 2023
Place: Pune

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)
Balance Sheet as at March 31, 2023
(All amounts in ₹ In Lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	14.73	11.55
Intangible assets	5(a)	230.64	296.33
Intangible assets under development	5(b)	55.08	66.26
Financial assets			
Other financial assets	6	0.60	-
Deferred tax assets (net)	7	261.80	275.32
Other non-current tax asset (net)	8	138.22	102.91
Total non-current assets		**701.07**	**752.37**
Current assets			
Financial assets			
(i) Trade receivables	9	229.75	148.95
(ii) Cash and cash equivalents	10	134.76	72.40
(iii) Bank balances other than cash and cash equivalents	11	81.51	81.51
(v) Other financial assets	6	4.13	2.05
Contract Asset	12	6.31	13.66
Other current assets	13	7.22	5.67
Total current assets		**463.68**	**324.24**
Total assets		**1,164.75**	**1,076.61**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	2.08	2.08
Other equity	15	720.92	781.24
Total equity		**723.00**	**783.32**
LIABILITIES			
Non-current liabilities:			
Financial liabilities			
Lease Liabilties	16	-	-
Employee defined benefit liabilities	17	60.80	56.19
Total non-current liabilities		**60.80**	**56.19**
Current liabilities:			
Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	1.17	0.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	61.50	44.46
(ii) Borrowings		-	-
(iii) Other financial liabilities	19	108.92	88.79
Employee defined benefit liabilities	17	6.70	1.96
Contract liabilities	20	118.20	62.83
Other current liabilities	21	84.46	38.14
Total current liabilities		**380.95**	**237.08**
Total equity and liabilities		**1,164.75**	**1,076.61**
Summary of significant accounting policies	1-3		

The accompanying notes are an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

For ARTH & Associates
Chartered Accountants
Firm Registration Number: 100868W

ARTI SAMIR TELANG
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Arti Telang
Partner
Membership No. 113368

Place: Pune
Date: May 09, 2023

For and on behalf of the Board of Directors
Teamlease Regtech Private Limited

SANDEEP PRADEEP AGRAWAL
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Date: 2023.05.09 16:11:31 +05'30'

Sandeep Agrawal
Director
DIN No : 05015428

Place: Pune
Date: May 09, 2023

RISHI AGRAWAL
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Date: 2023.05.09 16:08:25 +05'30'

Rishi Agrawal
Director
DIN No : 06614269

Place: Pune
Date: May 09, 2023

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)

Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in ₹ In Lakhs, unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
Income			
Revenue from operations	22	1,301.33	861.29
Other income	23	8.65	23.08
Total income		**1,309.98**	**884.37**
Expenses			
Employee benefit expenses	24	998.23	791.97
Finance costs	25	-	2.09
Depreciation and amortization expenses	26	110.15	121.29
Other expenses	27	262.20	223.81
Total expenses		**1,370.58**	**1,139.15**
(Loss) before tax		**(60.60)**	**(254.78)**
Tax expense:			
- Current tax		-	-
- Deferred tax charge/ (credit)	7	10.06	(124.18)
- Tax adjustment for earlier years		-	-
Total tax expense		**10.06**	**(124.18)**
(Loss) for the year		**(70.64)**	**(130.60)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) of defined benefits obligation		13.79	(17.69)
Income tax relating to items that will not be reclassified to profit or loss		(3.47)	4.45
Other comprehensive income for the year, net of tax		**10.32**	**(13.24)**
Total comprehensive income for the year, net of tax		**(60.32)**	**(143.84)**
Loss per equity share:			
Basic and diluted	28	**(33.96)**	**(86.44)**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.
This is the statement of profit and loss referred to in our report of even date.

For ARTH & Associates
Chartered Accountants
Firm Registration Number: 100868W

ARTI SAMIR TELANG Digitally signed by ARTI SAMIR TELANG Date: 2023.05.09 16:18:49 +05'30'

Arti Telang
Partner
Membership No. 113368

Place: Pune
Date: May 09, 2023

For and on behalf of the Board of Directors
Teamlease Regtech Private Limited

SANDEEP PRADEEP AGRAWAL Digitally signed by SANDEEP PRADEEP AGRAWAL Date: 2023.05.09 16:11:14 +05'30'

Sandeep Agrawal
Director
DIN No : 05015428

Place: Pune
Date: May 09, 2023

RISHI AGRAWAL Digitally signed by RISHI AGRAWAL Date: 2023.05.09 16:08:56 +05'30'

Rishi Agrawal
Director
DIN No : 06614269

Place: Pune
Date: May 09, 2023

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)

Statement of Cash Flow for the year ended March 31, 2023
(All amounts in ₹ In Lakhs, unless otherwise stated)

		March 31, 2023	March 31, 2022
A:	**Cash Flow from Operating Activities :**		
	(Loss) before Taxation	**(60.60)**	**(254.78)**
	Add: Adjustments for		
	Depreciation of property, plant and equipment and Right of Use Assets	7.34	21.07
	Amortisation of intangible assets	102.81	100.21
	Finance Costs	-	2.09
	Gain on modification of lease	-	(12.71)
	Provision for RDD	17.06	(7.31)
	Interest on bank deposit	(3.71)	(2.07)
	Loss on Sale of Asset/Write off	-	4.86
	Sundry balances written back	-	(0.14)
	Unwinding of security deposit	-	(0.29)
	Operating cash flows before working capital changes	**62.91**	**(149.07)**
	Changes in Working Capital		
	(Increase) in trade receivables	(97.86)	(48.21)
	Decrease/(Increase) in financial assets	(2.09)	13.55
	Decrease/(Increase) in other financial assets	(0.60)	-
	(Increase) in contract assets	7.35	(10.97)
	(Increase)/decrease in other current assets	(1.55)	0.16
	Increase/(decrease) in trade payables	17.31	(30.05)
	Increase/(decrease) in other financial liabilities	20.13	16.15
	Increase/(decrease) in contract liabilities	55.37	41.56
	Increase/(decrease) in other current liabilities	46.32	(1.25)
	Increase/(decrease) in employee defined benefit obligations	23.14	(11.13)
	Cash generated/(utilised)/from Operations	**130.41**	**(179.26)**
	Income tax paid (including TDS) (net of refunds)	(35.32)	(40.53)
	Net Cash (utilised) Operating activities (A)	**95.10**	**(219.80)**
B:	**Cash Flow from Investing Activities**		
	Purchase of property, plant and equipment	(10.52)	(6.02)
	Purchase of Intangilbe Assets & Cost incurred on internally generated softwares (including CWIP)	(25.95)	(46.47)
	Proceeds from disposal of property, plant and equipment	-	0.07
	Amounts invested in fixed deposits with banks (net of redemption)	-	(80.00)
	Interest income on bank deposits	3.71	2.07
	Net Cash used in Investing Activities (B)	**(32.76)**	**(130.35)**
C:	**Cash flow from Financing Activities**		
	Interest paid	-	(2.09)
	Payment of principal portion of lease liabilities	-	(12.90)
	Issue of Equity Shares	-	400.02
	Net Cash (utilised)/from Financing activities (C)	**-**	**385.03**
D:	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**62.35**	**34.91**
	Opening Balance of Cash & Cash Equivalents	72.40	37.49
	Cash and cash equivalents comprise		
	Balance with banks		
	On Current Accounts	134.15	71.63
	Cash on hand	0.61	0.77
	Closing Balance of Cash & Cash Equivalents	**134.76**	**72.40**
	Summary of significant accounting policies (Refer Note 1 to 3)		1-3

The accompanying notes are an integral part of the financial statements.
This is the statement of cash flow referred to in our report of even date.

For ARTH & Associates
Chartered Accountants
Firm Registration Number: 100868W

ARTI SAMIR TELANG
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Date: 2023.05.09 16:19:13 +05'30'

Arti Telang
Partner
Membership No. 113368

Place: Pune
Date: May 09, 2023

For and on behalf of the Board of Directors
Teamlease Regtech Private Limited

SANDEEP PRADEEP AGRAWAL
Digitally signed by SANDEEP PRADEEP AGRAWAL
Date: 2023.05.09 16:11:01 +05'30'

Sandeep Agrawal
Director
DIN No : 05015428

Place: Pune
Date: May 09, 2023

RISHI AGRAWAL
Digitally signed by RISHI AGRAWAL
Date: 2023.05.09 16:09:11 +05'30'

Rishi Agrawal
Director
DIN No : 06614269

Place: Pune
Date: May 09, 2023

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)

Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in ₹ In Lakhs, unless otherwise stated)

Issued, subscribed and fully paid share capital
a. Equity share capital:

	March 31, 2023		March 31, 2022	
	Numbers	Amount	Numbers	Amount
Equity shares of ₹ 1 each:				
Balance at the beginning of the year	**207,992**	**2.08**	**131,192**	**1.31**
Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	**207,992**	**2.08**	**131,192**	**1.31**
Additions during the year (Right Issue)	20,800	0.21	20,800	0.21
Additions during the year (early conversion of CCPS)	56,000	0.56	56,000	0.56
Balance at the end of the year	**284,792**	**2.85**	**207,992**	**2.08**

b. Other equity

Particulars	Equity Component of financial instruments	Share Application	Attributable to equity holders of the Company Reserves and surplus		Total other equity
			Securities Premium	Retained earnings	Total
Balance as at March 31, 2021	**184.66**	**-**	**499.70**	**(703.32)**	**(18.96)**
Amount received on issue of equity shares		-	399.81	-	**399.81**
Profit/(loss) for the year	-	-	-	(130.60)	**(130.60)**
Conversion of CCPS shares to Equity Share Capital	(184.66)		728.87		**544.21**
Other comprehensive income for the year	-	-	-	(13.24)	**(13.24)**
Balance as at March 31, 2022	**(0.00)**	**-**	**1,628.38**	**(847.16)**	**781.21**
Amount received on issue of equity shares		-	-	-	**-**
Profit/(loss) for the year		-	-	(70.64)	**(70.64)**
component		-	-	-	**-**
Conversion of CCPS shares to Equity Share Capital		-	-	-	**-**
Other comprehensive income for the year		-	-	10.32	**10.32**
Balance as at March 31, 2023	**(0.00)**	**-**	**1,628.38**	**(907.49)**	**720.89**

The above consolidated statement of change in equity be read in conjunction with the accompanying notes.
This is the statement of changes in equity referred to in our report of even date.

For ARTH & Associates
Chartered Accountants
Firm Registration Number: 100868W

ARTI SAMIR TELANG
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Date: 2023.05.09 16:19:29 +05'30'

Arti Telang
Partner
Membership No. 113368

Place: Pune
Date: May 09, 2023

For and on behalf of the Board of Directors
Teamlease Regtech Private Limited

SANDEEP PRADEEP AGRAWAL
Digitally signed by SANDEEP PRADEEP AGRAWAL
Date: 2023.05.09 16:10:44 +05'30'

Sandeep Agrawal
Director
DIN No : 05015428

Place: Pune
Date: May 09, 2023

RISHI AGRAWAL
Digitally signed by RISHI AGRAWAL
Date: 2023.05.09 16:09:25 +05'30'

Rishi Agrawal
Director
DIN No : 06614269

Place: Pune
Date: May 09, 2023

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)

Notes to the financial statements for the year ended March 31, 2023

1 Corporate Information

Teamlease Regtech Private Limited (formerly known as "Avantis Regtech Private Limited") (the "Company") is a Regulatory Technology Company incorporated on October 12, 2018. The Company currently provides Legal Compliance Management Product, Secretarial Compliance Module, Labour Compliance Module, Contract Management Product & Audit Management Product and allied services.

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2 Significant Accounting Policies

(i) Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:
a) Certain financial assets and liabilities measured at fair value as explained in the accounting policies below ; and
b) Defined benefit plan assets measured at fair value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

3 Summary of significant accounting policies

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non current.
A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has considered twelve months as its operating cycle.

3.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates i.e. the "functional currency". The financial statements are presented in Indian rupee (₹), which is functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are initially recorded by the company at their respective functional currency spot rate at the date the transaction first qualifies for recognition.
1) Monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated at the functional currency spot rates of exchange at the reporting date.
2) Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are translated using the exchange rates at the date of the initial transactions. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when fair value was determined.
3) Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

3.3 Revenue Recognition

(i) Sale of Services/Software

(i) Revenue is recognized upon completion of promised services to customers on activation of license subscription an amount that reflects the consideration which the company expects to receive in exchange of those services. Revenue is measured based on the transaction price and excludes taxes collected from customers.

(ii) Revenue related to fixed price maintenance and licence fees under subscription model, where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.

(iii) Revenue from sale of internally generated software (Perpetual License) is recognised based on the point completion of milestones as per contract .

(iv) Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is an unconditional right to receive cash, and only passage of time is required, as per contractual terms.

(v) Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

(ii) Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

3.4 Taxes

(i) Income Tax

Income tax expense comprises current tax expense and deferred tax asset or liability during the year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to the items not routed through the statement of profit and loss is recognised in other comprehensive income. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

In case of Deferred tax asset on carry forward tax losses, deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and for losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.5 Leases

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

The Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset gets transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.6 Property, Plant & Equipment

Property, Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, non creditable duties and other expense incurred for bringing the asset to its present location and condition. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.
The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)

Notes to the financial statements for the year ended March 31, 2023
Depreciation methods, estimated useful lives
Depreciation is calculated using the Straight Line Method (SLM) over their estimated useful lives of the Property, Plant & Equipment as prescribed under Part C of Sch II of the act, except in respect of the following categories of assets, in whose case the assets are depreciated/amortized as under:
- Leasehold Improvements are amortized over the estimated useful economic life i.e. the duration of lease
- Furniture & fixtures are depreciated on a straight line basis over the estimated useful economic life of 5 years.

Asset	Life in Years
Computers	3
Furniture and fixtures	5
Office equipments	5
Leasehold Improvements	1.9

3.7 **(i) Intangible assets**
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any cost includes expenditure that is directly attributable to the aquisition of the asset.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets acquired in a business combination viz. Goodwill do not have definite useful life and thus, are not amortised. However, these assets are tested for impairment on an annual basis. These are further tested for impairment upon any indication of impairment subsequent to annual testing.

(ii) Customer Relationships

Customer relationships acquired in business combination are recognised at fair value at the acquisition date. They have finite useful life and are subsequently carried at cost less accumulated amortisation and impairment loss.

(iii) Internally Generated Softwares

Internally generated intangibles and the related expenditure are reflected in profit or loss in the year in which the expenditure is incurred except for software development cost eligible for capitalisation.
- Internally generated software is recognised as an asset in the books only and only when the company develops an identifiable intangible asset and the following criteria are satisfied:
- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during the development can be reliably measured.

Directly attributable costs that are capitalised as a part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(iv) Goodwil
Goodwill acquired through business combinations is initially recognised at fair value.
Goodwill with indefinite life is tested for impairment each year. The value of Goodwill has been allocated to the one Cash Generating Units (CGUs), i.e Product licenses and related activities (Products) which is also the operating and reportable segments, for impairment testing.

(v) Amortisation of Intangibles
Intangible assets including computer software and other software are amortised over a period of 5 years

3.8 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that any Property, Plant & Equipment and Intangible assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.9 Financial instruments

A financial instrument is any contract that gives arise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective Interest Method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit and loss

Impairment of financial assets

The company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

• Financial assets that are debt instrument and are measured at amortised cost
• Financial assets that are debt instruments and are measured as at FVOCI
• Trade receivables under Ind AS 18

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details of how the company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the Company elected to the present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition of financial assets

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Financial liabilities at amortised cost

Financial liabilities at FVTPL

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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.

(iii) Offsetting of financial instruments

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

(iv) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

3.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changing in value.
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Employee benefits

Post-employment obligations

The company operates the following post-employment schemes:
(a) defined benefit plans - gratuity, and
(b) defined contribution plans such as provident fund.

Defined benefit plan

Gratuity obligations

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income and is transfered to retained earnings in the statement of changes in equity in the balance sheet. Such accumulated re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

In addition to the above, the Company recognises its liability in respect of gratuity for associate employees and its right of reimbursement as an asset in accordance with Ind AS 19.

Past service costs are recognised in profit or loss on the earlier of :
a) The date of the plan amendment or curtailment, and
b) The date that the company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
► Net interest expense or income

Defined contribution plan

Contribution to Government Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per applicable regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Compensated absences

The employees of the Company are entitled to be compensated for unavailed leave as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation (using the projected unit credit method) at the end of each year. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits and those expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using Projected Unit Credit Method) at the end of each year. Actuarial gains/ losses are recognised in the Statement of Profit and Loss in the year in which they arise.

3.12 Provisions and contingent liability

Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of provisions to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent liability

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation.
A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.13 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.14 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit/loss for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the parent (after adjusting for convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.15 Significant accounting judgments, estimates and assumptions

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

(i) Use of Significant judgements in revenue recognition

1) The Company's contracts with customers could include promises to transfer multiple services to a customer. The company assesses the services promised in a contract and identifies distinct performance obligations involves the contract. Identification of distinct performance obligation invloves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

2) Judgement is also required to determine the transaction price for the contracts. The company uses judgement to allocate the transaction price to each performance obligation on the basis of the relative selling price of each distinct service promised in the contract.

3) The company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The company considers indicators such as how customers consumes benefits as services are rendered or who controls the asset as it is being created or existence of the enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to customers etc.

4. Revenue from fixed price contract relating to implementation of services is recognised using percentange of completion method. The Company uses judgement to estimate the percentage of completion.

(ii) Estimates and assumptions

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

(iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or a cash generating unit exceeds its recoverable amount which is higher of fair value less costs of disposal and the value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) Model and cash flows are derived from the budget for the next five years. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow (DCF) Model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(iv) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rate of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note No. 31.

(v) Useful life of assets considered for depreciation of Property, Plant and Equipment and amortisation of Intangible assets

The charge in respect of periodic depreciation/amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at each financial year end. The lives are based on technical advice, prior asset usage experience and the risk of technological obsolescence.

(vi) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing's and the level of future taxable profits together with future tax planning strategies.

(vii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(viii) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ix) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

3.16 Operating segment

Identification of segments:

The Company identifies primary format of segment reporting based on risks and rewards affected predominantly by the services rendered. Accordingly, primary format for reporting segment information is business segment with secondary segment information reported geographically.

As the Company operates in only one business segment and one geographical segment (only domestic), hence there is no separate reportable segment as per Ind AS 108, Operating Segments.

3.17 Convertible Preference Share

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for conversion right. The carrying amount of the conversion option is not re-measured in subsequent years.

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Notes to the financial statements for the year ended March 31, 2023
(All amounts in ₹ In Lakhs, unless otherwise stated)

Note 4 : Property, plant and equipment

	Lease Hold Improvements	Furnitures & Fixtures	Computers	Office Equipments	Total
Gross Carrying Amount					
As at March 31, 2021	3.16	1.29	28.26	2.31	35.02
Additions/Adjustments	-	-	6.02	-	6.02
Deductions/Adjustments	3.16	1.29	-	0.15	4.60
As at March 31, 2022	**-**	**-**	**34.28**	**2.16**	**36.44**
Additions/Adjustments	-	0.52	10.00	-	10.52
Deductions/Adjustments	-	-	-	-	-
As at March 31, 2023	**-**	**0.52**	**44.28**	**2.16**	**46.96**
Depreciation & Impairment					
As at March 31, 2021	1.18	0.24	15.18	0.89	17.50
Charge for the year	0.30	0.08	8.47	0.42	9.27
Deductions/Adjustments	1.48	0.32	-	0.07	1.87
As at March 31, 2022	**-**	**-**	**23.65**	**1.24**	**24.89**
Charge for the year		0.05	6.86	0.43	7.34
Deductions/Adjustments					-
As at March 31, 2023	**-**	**0.05**	**30.51**	**1.67**	**32.23**
Net Carrying Amount					
As at March 31, 2021	**1.98**	**1.05**	**13.07**	**1.42**	**17.52**
As at March 31, 2022	**-**	**-**	**10.63**	**0.92**	**11.55**
As at March 31, 2023	**-**	**0.47**	**13.77**	**0.49**	**14.73**

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Notes to the financial statements for the year ended March 31, 2023
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Note 5(a): Intangible assets

	Aquired Software	Goodwill	Customer Relationships	Trademark	Internally Generated Softwares	SAGE 300 ERP	Total
Gross Carrying Amount							
As at March 31, 2021	50.02	7.10	24.19	6.29	413.59	-	501.20
Adjustments**	(50.02)	-	-	-	50.02	-	-
Deductions/Adjustments***	0.79	-	-	6.29	(0.79)	-	6.29
As at March 31, 2022	**0.79**	**7.10**	**24.19**	**-**	**462.82**	**-**	**494.91**
Additions	-	-		-	34.13	3.00	37.13
Deductions	-	-	-	-	-	-	-
As at March 31, 2023	**0.79**	**7.10**	**24.19**	**-**	**496.95**	**3.00**	**532.04**
Amortization & Impairment							
As at March 31, 2021	23.24	-	11.11	2.89	65.22	-	102.46
Charges for the year	0.15	-	4.60	1.20	94.27	-	100.21
Adjustments**	(22.97)	-	-	4.09	22.97	-	4.09
As at March 31, 2022	**0.42**	**-**	**15.71**	**0.00**	**182.45**	**-**	**198.58**
Charges for the year		-	5.35	-	97.46	-	102.81
As at March 31, 2023	**0.42**	**-**	**21.06**	**0.00**	**279.91**	**-**	**301.39**
Net Carrying Amount							
As at March 31, 2021	**26.78**	**7.10**	**13.08**	**3.40**	**348.37**	**-**	**398.74**
As at March 31, 2022	**0.37**	**7.10**	**8.48**	**-0.00**	**280.37**	**-**	**296.33**
As at March 31, 2023	**0.37**	**7.10**	**3.13**	**-0.00**	**217.04**	**3.00**	**230.64**

** the amount in adjustment column include reclassification of disclosure error of an amount incorrectly shown in acquired software instead of internally generated software.

*** the amount in adjustment column include reclassification of amount ₹79,618 in acquired software column to internally generated software

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Notes to the financial statements for the year ended March 31, 2023
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Note 5(b): Intangible assets under development

	Vendor Audit Product	NAAC Portal	Tax Litigation	Litigation Plus	SAGE 300 ERP	Total
Gross Carrying Amount						
As at March 31, 2021	**16.65**	**-**	**-**	**1.95**	**1.20**	**19.81**
Additions/Adjustments	10.20	11.44	12.29	12.53	-	46.46
Capitalisation/adjustments	-	-	-	-	-	-
As at March 31, 2022	**26.85**	**11.44**	**12.29**	**14.48**	**1.20**	**66.26**
Additions/Adjustments	2.00	14.78	4.77	2.59	1.80	25.95
Capitalisation/adjustments	-	-	17.06	17.07	3.00	37.13
As at March 31, 2023	**28.85**	**26.22**	**-**	**-**	**-**	**55.08**

Intagible Assets under Development - Ageing

	March 31, 2023					**March 31, 2022**				
	Less than 1 year	**1 year<2 years**	**2years <3 years**	**More than 3 years**	**Total**	**Less than 1 year**	**1 year<2 years**	**2years <3 years**	**More than 3 years**	**Total**
Projects in Progress	14.78	11.44	-	-	26.22	36.25	3.15	-	-	39.40
Project temporary suspended*	2.00	16.61	10.26	-	28.87	10.2	7.81	8.85	-	26.86
Total	**16.78**	**28.05**	**10.26**	**-**	**55.09**	**46.45**	**10.96**	**8.85**	**-**	**66.26**

*Post COVID, Company's management had put on hold on new product development / enhancement for Vendor Audit Management as the Company was not able to deploy any Sales Team for the said Product. As the Company has reached the Break even during FY 2022-23, management has now decided to integrate the same with the Compliance Module (AVACOM) from May 2023, The same is expected to complete this project by Sept 30, 2023.

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Note 6 : Other financial assets

	March 31, 2023	March 31, 2022
Non-current		
(Unsecured, considered good)		
Security Deposits	0.60	-
	0.60	**-**
Current		
(Unsecured, considered good)		
Security Deposits	1.10	0.60
deposits with remaining maturity of less than 12 months.	-	0.51
Interest accrued on fixed deposits	3.03	0.94
	4.13	**2.05**

Note 7: Deferred tax assets/(liabilities)

	Mar 31, 2023	Mar 31, 2022
Deferred tax assets - Net	261.80	275.32
	261.80	**275.32**

Particulars	CCPS	Provision for bad and doubtful debts	Depreciation on fixed assets	Provision for leave encashment, Bonus and gratuity	Unabsorbed losses and depreciation	IndAS 116 Adjustment	Total
Opening deferred tax	(39.06)	3.13	(24.23)	15.89	187.93	3.02	**146.68**
Recognised on issue of CCPS (CFI)	-	-	-	-	-	-	**-**
Charge/(Credit):							**-**
Reversal of opening CCPS	-	-	-	-	-	-	**-**
Profit and loss	39.06	(2.56)	(2.14)	2.01	90.84	(3.02)	**124.18**
Other comprehensive income	-	-	-	4.45	-	-	**4.45**
Closing balance as of March 31, 2022	**-**	**0.56**	**(26.36)**	**22.35**	**278.77**	**-**	**275.32**
Recognised on issue of CCPS (CFI)	-	-	-	-	-	-	**-**
Charge/(Credit):							
Reversal of opening CCPS	-	-	-	-	-	-	-
Profit and loss	-	4.28	(11.83)	(3.58)	1.08	-	(10.06)
Other comprehensive income	-	-	-	(3.47)	-	-	**(3.47)**
Closing balance as of March 31, 2023	**-**	**4.84**	**(38.19)**	**15.30**	**279.85**	**-**	**261.80**

Significant Estimates:
As at the reporting date, the management of the Company is reasonably certain that sufficient future taxable income will be available against which the deferred tax asset will be realised on the unabosorbed business losses and unabosorbed depreciation.

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) before tax and tax (income) / expenses charge is summarised below:

	March 31, 2023	March 31, 2022
(Loss)before tax	(60.60)	(254.78)
Tax using the Company's domestic tax rate @ 25.167%	(15.25)	(64.12)
Tax effect of:		
DTA on losses	5.19	(24.19)
Extiguishment of DTL on prefrence shares created in FY 2020-21	-	(35.87)
Income tax expense/(income)	**(10.06)**	**(124.17)**

Note 8 : Non Current Tax Assets	March 31, 2023	March 31, 2022
Advance Income Tax including TDS Receivables (Net of provision for Taxation)	138.22	102.91
	138.22	**102.91**

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Notes to the financial statements for the year ended March 31, 2023
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Note 9: Trade receivables

(Unsecured considered good unless other wise stated)	March 31, 2023	March 31, 2022
Trade receivables from related parties (Refer Note no. 36)	9.67	0.45
	9.67	**0.45**
Trade receivables- considered good	220.08	148.50
Trade Receivables – credit impaired	19.21	2.15
	239.29	**150.65**
Less:		
Loss allowance	(19.21)	(2.15)
	229.75	**148.95**

Particulars	**Outstanding for following periods from due date of payment as at March 31, 2023**					
Trade Receivable	**< 6months**	**6 months<1 year**	**1 year<2 years**	**2 years<3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivable- considered good	**229.75**	**-**				**229.75**
(ii) Undisputed trade receivable which have significant increase in credit risk						**-**
(iii) Undisputed trade receivable- credit impaired	**-**	**11.96**	**3.74**			**15.70**
(iv)Disputed trade receivable- considered good						**-**
(v) Disputed trade receivable which have significant increase in credit risk						**-**
(vi) Disputed trade receivable- credit impaired	**1.89**	**1.62**				**3.51**
Total	**231.64**	**13.58**	**3.74**	**-**	**-**	**248.96**

Particulars	**Outstanding for following periods from due date of payment as at March 31, 2022**					
Trade Receivable	**< 6months**	**6 months<1 year**	**1 year<2 years**	**2 years<3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivable- considered good	**148.95**					**148.95**
(ii) Undisputed trade receivable which have significant increase in credit risk	**-**	**-**	**-**	**-**		**-**
(iii) Undisputed trade receivable- credit impaired		**1.46**	**0.53**			**1.99**
(iv)Disputed trade receivable- considered good	**-**	**-**	**-**	**-**		**-**
(v) Disputed trade receivable which have significant increase in credit risk	**-**	**-**	**-**	**-**		**-**
(vi) Disputed trade receivable- credit impaired					**0.16**	**0.16**
Total	**148.95**	**1.46**	**0.53**	**-**	**0.16**	**151.10**

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Notes to the financial statements for the year ended March 31, 2023
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Note 10: Cash and cash equivalents

	March 31, 2023	March 31, 2022
Cash on hand	0.61	0.77
Balances with banks in Current Accounts	134.15	71.63
	134.76	**72.40**

Note 11: Bank balances other than cash and cash equivalents

	March 31, 2023	March 31, 2022
Deposits with remaining maturity of less than 12 months	81.51	81.51
	81.51	**81.51**

Note 12: Contract asset

	March 31, 2023	March 31, 2022
Opening Unbilled Revenue	13.66	2.70
Additions	6.31	13.66
Billed in the current year	13.66	2.70
Closing Unbilled Revenue	**6.31**	**13.66**
Aging		
> 6 months	**6.31**	**13.66**

Note 13: Other current assets

(Unsecured considered good unless other wise stated)	March 31, 2023	March 31, 2022
Prepaid expenses	3.22	3.63
Advance to Staff	3.83	0.50
Other assets	0.17	-
Balance with Government Authorities	-	1.53
	7.22	**5.67**

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Notes to the financial statements for the year ended March 31, 2023
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Note 14: Equity Share capital

Share capital	March 31, 2023	March 31, 2022
(i) Authorised share capital		
500,000 Equity Shares (Face Value of ₹1 each with voting rights)	5.00	5.00
500,000 0.1% Compulsory Convertible Cumulative Preference Shares (CCPS)	5.00	5.00
	10.00	10.00
(ii) Issued, subscribed and fully paid-up shares		
207,992 Equity Shares of ₹1 each (Previous year 207,992 Equity Shares of ₹1 each)	2.08	2.08
Total issued, subscribed and fully paid-up shares	**2.08**	**2.08**

(iii) Terms/ rights attached to equity shares

The company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iv) Details of shareholders holding more than 5% shares in the Company:

	As At March 31, 2023		As At March 31, 2022	
Name of the shareholders	**Numbers**	**% holding in the class**	**Numbers**	**% holding in the class**
a) Equity shares of Rs.1 each fully paid				
Sandeep Agrawal	46,074	22%	46,074	22%
Rishi Agrawal	34,000	16%	34,000	16%
TeamLease Services Limited	127,914	62%	127,914	62%
	207,988	**100%**	**207,988**	**100%**
b) 0.1% Compulsory Convertible Cumulative Preference Shares				
TeamLease Services Limited	-	0%	-	0%
	-	**0%**	**-**	**0%**

c) Shareholding of the Promotors

Shares held by promotors at the end of the year					
	March 31, 2023		March 31, 2022		% Change during the year*
Promotors Name	**No of Shares**	**% of the total shares**	**No of Shares**	**% of the total shares**	
Sandeep Agrawal	46,074	**22%**	46,074	**22%**	-
Rishi Agrawal	34,000	**16%**	34,000	**16%**	-
Teamlease Services Limited	127,914	**62%**	127,914	**62%**	-
Total	**207,988**		**207,988**		

Note 15: Other equity

Particulars	March 31, 2023	March 31, 2022
Securities Premium	1,628.40	1,628.40
Retained earnings	(907.48)	(847.16)
	720.92	**781.24**
Equity Component of financial instruments		
Opening balance	-	184.66
Less: Conversion of CCPS into Equity Shares	-	184.66
Closing balance	-	-

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Surplus in the statement of profit and loss		
Opening balance	(847.16)	(703.32)
Net Profit/(Loss) for the year	(70.64)	(130.60)
Other comprehensive income recognised directly in retained earnings (Remeasurment of post employment benefit obligation, net of tax)	10.32	(13.24)
Less : Appropriation during the year	-	-
Closing balance	**(907.48)**	**(847.16)**
Securitirs Premium		
Opening balance	1,628.40	499.70
Add: Securities premium on allotment of shares under rights issue	-	399.81
Add: Securities premium on conversion of CCPS into Equity Shares	-	728.89
Closing balance	**1,628.40**	**1,628.40**

* For the movement of other equity, also refer Statement of Changes in Equity

Nature and purpose of other reserves
(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

-- On July 13, 2021 the company has issued 10,400 Equity Shares at a permium of ₹1922.16

-- On November 01, 2021 the company has issued 10,400 Equity Shares at a permium of ₹1922.16

-- On February 7, 2022, owing to revised investor agreement entered into on July 6, 2021, the Company converted CCPS to 56000 equity shares and the amount lying in unsecured borrowings and other equity was transfered to Equity shares and share premium account.

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Notes to the financial statements for the year ended March 31, 2023
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Note 16: Lease Liabilities

	March 31, 2023	March 31, 2022
Non-current		
Lease Liabilities (Refer note below)	-	-
	-	-
Current		
Lease Liabilities (Refer note below)	-	-
	-	-

The following is the movement in lease liabilities

	March 31, 2023	March 31, 2022
Additons on account of adoption of Ind AS 116 (on 1 April 2019)		
Opening Balance	-	97.24
Add:Additions during the year	-	-
Less: Deletions during the year	-	79.37
Add: Finance cost accrued during the year	-	-
Less:Repayments of lease liabilities (including interest)	-	17.87
Balance as at year ended	-	-

Note: During the previous financial year, there was modification in terms of lease and there was termination of contract in July 21.

The balances in lease liabilities and Right to Use Asssets as on July 2021 were reversed and there was a gain booked due to modification in lease terms.

Note 17: Employee defined benefit liabilities

Non-current		
Employee benefits - Gratuity (Refer Note No.: 31)	43.22	36.85
Employee benefits - Compensated Absences (Refer Note No.: 31)	17.58	19.34
	60.80	**56.19**
Current		
Employee benefits - Gratuity (Refer Note No.: 31)	0.85	0.04
Employee benefits - Compensated Absences (Refer Note No.: 31)	5.85	1.92
	6.70	**1.97**

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	March 31, 2023	March 31, 2022
Note 18: Trade payables		
Current		
Total outstanding dues of micro enterprises and small enterprises (Note No.30)	1.17	0.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	61.50	44.46
	62.67	**45.36**

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment as at March 31, 2023				March 31, 2023
	Less than 1 year	1 year<2 years	2 years<3 years	More than 3 years	Total
(i) MSME	1.17	-	-	-	**1.17**
(ii) Others	59.82	0.62	-	-	**60.44**
(iii) Disputed Dues - MSME	-	-	-	-	**-**
(iv) Disputed Dues - Others	-	-	1.06	-	**1.06**

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022				March 31, 2022
	Less than 1 year	1 year<2 years	2 years<3 years	More than 3 years	Total
(i) MSME	0.90	-	-	-	**0.90**
(ii) Others	43.07	0.33	-	-	**43.40**
(iii) Disputed Dues - MSME	-	-	-	-	**-**
(iv) Disputed Dues - Others	-	1.06	-	-	**1.06**

	March 31, 2023	March 31, 2022
Note 19: Other financial liabilities		
Current		
Salaries and Bonus Payable	108.92	88.79
	108.92	**88.79**

	March 31, 2023	March 31, 2022
Note 20: Contract liabilities		
Opening Deferred Revenue	62.83	21.27
Additions	118.20	62.83
Deletions	62.83	21.27
Closing Deferred Revenue	**118.20**	**62.83**

	March 31, 2023	March 31, 2022
Note 21: Other current liabilities		
Statutory dues payable	64.46	38.14
Advance received from customer	20.00	-
	84.46	**38.14**

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Note 22: Revenue from operations

(Net of taxes)	March 31, 2023	March 31, 2022
Sale of Services		
Income from Product Subscription	830.68	481.80
Sale of Product Licenses	48.01	78.44
Income from Product Implementation	309.70	211.73
Income from Professional Services	112.94	89.32
Total Revenue	**1,301.33**	**861.29**

Other disclosures

Contract balances	March 31, 2023	March 31, 2022
Contract assets - Trade receivables	229.75	148.95
Contract assets - Unbilled revenue	6.31	13.66
Contract liabilities - Advance from customers	20.00	-
Contract liabilities - Unearned revenue	118.20	62.83
	374.26	**225.45**

Set out below is the amount of revenue recognised from:

	March 31, 2023	March 31, 2022
Amounts included in contract liabilities at the beginning of the year	62.83	21.27
	62.83	**21.27**

Note 23: Other income

	March 31, 2023	March 31, 2022
Interest income on:		
Deposits with banks	3.71	2.07
Unwinding of security deposit	-	0.29
Income Tax Refund	4.93	1.85
Gain on Lease Modification	-	12.71
Sundry Balances Write Back	0.01	0.14
Rental Income	-	6.02
Total other income	**8.65**	**23.08**

Note 24: Employee benefit expense

	March 31, 2023	March 31, 2022
Salaries, wages and bonus	976.15	782.98
Contribution to provident fund and other funds	31.74	24.18
Gratuity	23.62	24.30
Compensated Absences	9.36	6.43
Staff welfare expenses	0.32	0.54
Less: Capitalised	(42.96)	(46.46)
Net Total employee benefit expense	**998.23**	**791.97**

Note 25: Finance Costs

	March 31, 2023	March 31, 2022
Interest on Lease Obligation	-	2.09
	-	**2.09**

Note 26: Depreciation and amortization

	March 31, 2023	March 31, 2022
Depreciation of property, plant & equipment	7.34	9.28
Amortization of other intangible assets	102.81	100.21
Depreciation on Right of Use Assets	-	11.80
	110.15	**121.29**

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Note 27: Other expenses

		March 31, 2023		March 31, 2022
Rent		4.09		7.60
Rates & taxes		0.08		0.44
Interest & Penalties on Statutory Dues		9.58		8.09
Electricity	0.04		1.75	
Less: Capitalised	-		-	
Electricity (Net)		0.04		1.75
Traveling and conveyance		5.96		2.06
Repairs and maintenance	3.68		3.08	
Less: Capitalised	-		-	
Repairs and maintenance (Net)		3.68		3.08
Printing and stationery		0.14		0.04
Communication costs	125.50		83.71	
Less: Capitalised	-		-	
Communication costs (Net)		125.50		83.71
Legal and professional charges	73.89		106.49	
Less: Capitalised	-		-	
Legal and professional charges (Net)		73.89		106.49
Auditors' remuneration (Refer note below)		4.62		3.48
Advertisement and business promotion		13.07		6.87
Bad Debts written off	2.20		2.95	
Less: Utilized from provision for bad and doubtful debts	2.20	-	2.95	-
Provision for bad and doubtful debts		19.26		(7.31)
Loss on Sale of Assets		-		0.20
Loss on Written off Assets		-		4.66
Interest on MSME Creditors		0.18		
Other Expenses		2.11		2.65
		262.20		**223.81**

Note: Payment to auditors	**March 31, 2023**	**March 31, 2022**
As auditor (Net of GST)		
Limited Review Fees	0.75	0.75
Statutory Audit Fees	1.45	1.45
Tax Audit Fees	0.50	-
GST and Other Services	1.92	1.28
	4.62	**3.48**

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Notes to the financial statements for the year ended March 31, 2023
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Note 28: Earnings per share
The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2023	March 31, 2022
(Loss) attributable to equity shareholders	(70.64)	(130.60)
Nominal value of each equity share	1.00	1.00
Weighted average number of equity shares outstanding during the year	**207,988**	**151,091**
EPS - basic and diluted (Rs.)	(33.96)	(86.44)

Computation of Weighted Average Number of Equity Shares

		March 31, 2023	March 31, 2022
Number of Equity Shares outstanding at beginning of the year		207,988	131,192
Add: Weighted Average number of equity shares issued during the year		-	19,899
Weighted average number of equity shares outstanding at the end of the year for computing basic and diluted	**-**	**207,988**	**151,091**

Note 29: Instruments issued during the previous financial year
A. On July 13, 2021, the Company issued 10,400 Equity Shares of ₹1 each

1.TeamLease Services Limited - 7117 no of equity shares at a premium of ₹1922.16 per share
2.Mr.Vaibhav Karnawat - 3283 no of equity shares at a premium of ₹1922.16 per share

B. On November 01, 2021, the Company issued 10,400 Equity Shares of ₹1 each

1.TeamLease Services Limited - 9029 no of equity shares at a premium of ₹1922.16 per share
2.Mr. Sandeep Agrawal - 1371 no of equity shares at a premium of ₹1922.16 per share

C. On February 7, 2022, the Company converted its preference shares to 56,000 Equity shares pursuant to revised investor agreement signed in July 2021.

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Notes to the financial statements for the year ended March 31, 2023
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Note 30: Disclosure of Micro, Small and Medium Enterprises Development Act, 2006

(a) The disclosure of total outstanding balance due to such creditors under Micro and small enterprises in note 19 of the financial statements is considered for the transactions occured after the date of registration of suppliers under MSMED Act, 2006 and oustanding as on March 31, 2023

Further, interest accrued/ due on late payment/amount outstanding to micro and small enterprises is also calculated on transactions after the date of registration of suppliers under MSMED Act, 2006 and are outstanding for/late payments by more than 45 days from appointed date.

(b) Disclosure with regards to Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year.		
- Principal amount due to micro and small enterprises	1.17	0.90
- Interest due on above	0.18	0.00
	1.35	**0.90**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
- Payments made to suppliers beyond the appointed date	2.81	13.02
- Interest paid on above	-	-
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 2006	-	0.46
The amount of interest accrued and remaining unpaid at the end of each accounting year		
Financial Year 2020-21	0.16	0.16
Financial Year 2021-22	0.46	0.46
Financial Year 2022-23	0.18	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure for Income Tax purposes under section 23 of the MSMED Act 2006	-	-

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Notes to the financial statements for the year ended March 31, 2023
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Note 31: Employee benefit obligations

i) Leave Obligation
The leave obligation cover the Company's liability for earned leave which are classified as current and non-current benefits. The bifurcation of the current and non-current is based on the past experience of employee's retirement, resignations or on his death on the basis of the salary he would be drawing at the time of his separation from the Company.

Particulars	**March 31, 2023**	**March 31, 2022**
Leave Obligations not expected to be settled within the next 12 months	17.58	19.34

ii) Defined Contribution plans
The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the salary as per the regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.The expenses recognised during the year towards defined contribution plan are debited profit and loss account.

	March 31, 2023	**March 31, 2022**
	31.74	24.18

(iii) Gratuity
The Company has defined benefit gratuity plan for its employees.The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed 4 years and 240 days of service are eligible for gratuity on departure at 15 days salary (last drawn) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement.

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase
Demographic Risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	**March 31, 2023**	**March 31, 2022**
Defined benefit obligation at beginning of the year	36.89	30.29
Current service cost	21.02	22.20
Past service cost	-	-
Transfer In/(Out)	-	
Interest cost on defined benefit obligation	2.60	2.09
Benefits paid	(2.65)	-
Re-measurements	-	-
Actuarial (gain) / loss arising from changes in demographic assumptior	-	-
Actuarial (gain) / loss arising from changes in financial assumptions	-	-
Actuarial (gain) / loss arising from changes in experience adjustments	(13.79)	(17.69)
Defined benefit obligation at end of the year	**44.07**	**36.89**

	March 31, 2023	**March 31, 2022**
Current	0.85	0.04
Non-current	43.22	36.85

Net defined benefit liability/ (assets)

	March 31, 2023	**March 31, 2022**
Present value of non-funded obligation	44.07	36.89
Fair value of plan assets	-	-
Net liability	**44.07**	**36.89**

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Notes to the financial statements for the year ended March 31, 2023
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Net benefit cost recognised in statement of profit and loss

	March 31, 2023	March 31, 2022
Current service cost	21.02	22.20
Past service cost	-	-
Interest cost on defined benefit obligation	2.60	2.09
Net benefit expense	**23.62**	**24.29**

Remeasurement loss/(gains) in other comprehensive income	March 31, 2023	March 31, 2022
Particulars		
Due to change in demographic assumptions	-	-
Due to change in financial assumptions	-	-
Due to change in experience adjustments	(13.79)	(17.69)
Acturial loss/(gain) recognised in OCI	**(13.79)**	**(17.69)**

The principal assumptions used in determining gratuity benefit obligation are shown below:

	March 31, 2023	March 31, 2022
Discount rate	7.30%	7.30%
Salary esclation rate	10.00%	10.00%
Expected remaining working lives of employees (years)	4.94	14.53
Attrition rate	20%	5%
Retirement age	58	58
Mortality tables	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

Note:
1) The estimates of future salary increase, considered in acturial valuation, take into account inflation, seniority, parameter and other relevant factors such as supply and demand factors in employment matter.

Sensitivity analysis
A quantitative sensitivity analysis for significant assumptions on defined benefit obligation as at March 31, 2023 given as shown below:

Discount Rate	March 31, 2023	March 31, 2022
1% increase	41.99	32.30
1% decrease	46.36	42.47

Salary Esclation Rate	March 31, 2023	March 31, 2022
1% increase	45.81	41.89
1% decrease	42.43	32.66

Attrition Rate	March 31, 2023	March 31, 2022
1% increase	43.83	35.86
1% decrease	44.35	38.10

The sensitivity analyses above have been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions used at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years

	March 31, 2023	March 31, 2022
Year 1	0.85	0.04
Year 2	4.49	0.07
Year 3	7.26	1.22
Year 4	8.28	2.90
Year 5	10.17	4.33
Next 5 years	71.95	47.77

The weighted average duration of defined benefit obligation at the end of the reporting period is 8.43 years.

Note 32: Impairment Testing on Goodwill

Impairment Testing on Goodwill

Goodwill aquired through business combinations of INR 7.10 lakhs and with indefinite life has been allocated to the following cash generating unit (CGUs) below, which is also operating and reportable segments, for impairment testing:

1. Product licenses and related activities (Products)

Teamlease Regtech Private Limited performed its annual impairment test for year ended March 31, 2023 on respective balance sheet date. The recoverable amount of above CGUs exceeded their carrying amounts.

Sale of Software Products CGU

The recoverable amount of the Products CGU as at March 31, 2023 based on a value in use calculation using projections covering a five year period. The growth rate used to extrapolate the cash flows of the unit beyond the five year period is 3%. This growth rate is in line with the industry average growth rate. The pre-tax discount rate applied to the cash flow projections for impairment testing during the current year is 15.50%

Key assumptions used for value in use calculations:
The calculation of value in use for Products CGU is most sensitive to the following assumptions:
- Opearting margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period.

Operating Margin

As the Company is a start up, the Operating margins are expected to improve in the coming years as compared to average values achieved in the current financial year due to lower cost required to sell the software and provide support services.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideratin the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flows estimates. The discount rate calculation is based on the specific circumstances of the Company and its opearting segments and is derived from its weighted average cost of capital (WACC). Segment - specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates- Rates are in line with the industry average growth rate.

Note 33: Segment Reporting

Business segments are identified as a distinguishable component of an enterprise that is engaged in providing a group of related products and services and that is subject to differing risks and return about which separate financial information is available. This information is reviewed and evaluated regularly by the management in deciding how to allocate resources and in assessing the performance.

The Company is organized by business segment and geographically. For management purposes the Business segment is primary Segement. The business segment's are identifed based on which the Company and its management reviews the operational information and the risks and return associated with them. The Company has identified only one business segment - i.e **Software products**

Segment Revenue and Expenses:

Revenue is generated through licensing of software products, maintenance fees as well as by out right sale of software to the customers. The income and expenses which are not dierctly attributable to a business segment are classified as unallocable income's and expenses.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of trade receivables net of allowances, unbilled revenue, deposits for premises and property, plant and equipment. Segment liabilities primarily includes trade payables, deferred revenue, adavnec from customer, employee benefit obligations and other liabilities. While most of such assets and liabilities can be directly attributed to individuals segments, the carrying amount of certain assets and liabilities used jointly by two or more segments is allocated to the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocable assets and liabilities.

Notes to the financial statements for the year ended March 31, 2023
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Geographical segments :

	March 31, 2023	%	March 31, 2022	%
Regions				
India	1,301.33	100%	861.29	100%
Outside	-	0%	-	0%
Total	**1,301.33**		**861.29**	

The following table shows the consolidated non-current assets by geographical market:

	March 31, 2023	%	March 31, 2022	%
Regions				
India	701.07	100%	752.37	100%
Outside	-	0.0%	-	0.0%
Total	**701.07**		**752.37**	

Note 34: Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- **Market risk;**
- **Credit risk; and**
- **Liquidity risk;**

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable and trade payable

(i) Foreign Currency Risk

Foreign currency risks is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

b) Credit Risk:

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable

With respect to trade receivables/unbilled revenue, the Company has framed the policies to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company follows 'simplified approach' for recognition of provision for ECL on trade receivables. All trade receivables which are outstanding for more than 6 months since their due date is 100% provided for.

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

The following table summarises the changes in the loss allowance measured using ECL:

	March 31, 2023	March 31, 2022
Opening Balance	2.15	12.42
Amount provided/(reversed) during the year (net)	17.06	(10.27)
Closing provision	19.21	2.15

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Financial Instruments:
Credit risk from balances with the banks are managed by the Company's management team based on the Company's policy. Investment of surplus fund is made only with approved counterparties and banks.

Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

c) Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank funds and receipt of debtors.

	Maturity Period	March 31, 2023	Maturity Period	March 31, 2022
Financial liabilities - Current				
- Borrowings	Within 1 year	-	Within 1 year	-
- Trade payables	Within 1 year	62.67	Within 1 year	45.36
- Lease liabilites	Within 1 year	-	Within 1 year	-
- Other Financial liabilites	Within 1 year	108.92	Within 1 year	88.79
- Other Current liabilites	Within 1 year	64.46	Within 1 year	38.14
		236.05		**172.29**
Financial liabilities - Non current				
- Lease liabilites	1 - 5 years	-	1 - 5 years	-
- Other Financial liabilites	1 - 5 years	-	1 - 5 years	-
		-		-

Note 35: Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong capital base to ensure independence, to ensure sustained growth in business.

The Company has during the year borrowed in the form of Loan, repayable on demand from its Holding company. Holding company will continue to provide the working capital support in case of shortfall.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below:
- Equity includes equity share capital and all other equity components, which are attributable to the equity holders
- Net Debt includes interest bearing borrowings less cash and equivalents

	31 March 2023	31 March 2022
Current borrowings	-	-
Less: Cash and cash equivalents	(134.76)	(72.40)
Net debt (A)	**(134.76)**	**(72.40)**
Equity share capital	2.08	2.08
Other equity	720.92	781.24
Equity (B)	**723.00**	**783.32**
Equity plus net debt (C=A+B)	**588.24**	**710.93**
Gearing ratio (D=A/C)	**-22.91%**	**-10.18%**

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowings.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

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Note 36: Disclosure of related party transactions

(i) List of related parties and relationship:

Description of relationship	Names of the related parties
a) Key management personnel (Directors)	Rishi Agrawal Sandeep Agrawal
b) Company exerting significant influence **i. upto February 06, 2022 - Joint Venture** **ii. from February 07, 2022 - Holding Company**	Teamlease Services Limited

(ii) Other Related parties with whom transactions have been taken during the period

Description of relationship	Names of the related parties
Entities where KMP or directors exercise control or significant influence	Avantis Softech LLP
Subsidiary of the Company which exerting significant Influence	Teamlease Digital Private Limited
Subsidiary of the Company which is exerting significant Influence	Evolve Technologies & Services Private Limited
Subsidiary of the Company which is exerting significant Influence	Teamlease Edtech Limited
Parties closely related with KMP	Garima Gupta (Spouse of Rishi Agrawal)
Parties closely related with KMP	Bita Consulting Proprietor - Megha Agrawal (Spouse of Sandeep Agarwal)

(iii) Enterprise over which directors exercise significant influence:

a) Rishi Agrawal is director in following entities-
- Bluefin Corporation India Pvt. Ltd.
- Avantis Softech LLP

b) Sandeep Agrawal is director in following entities-
- Avantis Softech LLP

(iii) Transaction with related parties:

Description		March 31, 2023	March 31, 2022
Issue of Equity Shares			
- Sandeep Agrawal		-	0.05
- Teamlease Services Limited			
i) Issue of Equity Shares		-	0.16
ii) Conversion of Preference shares in to Equity shares		-	0.56
Sale of Services (Net of GST)			
- Teamlease Services Limited		210.23	160.45
- Evolve Technologies & Services Private Limited	Other Income - Rental Income	-	6.02
	Reimbursement	-	0.09
- Teamlease Edtech Limited	Salary Cost Share	4.74	3.30
Purchase of Services			
- Teamlease Services Limited		31.97	50.43
- Teamlease Digital Private Limited		-	2.04
- Garima Gupta		-	12.00
- Bita Consulting		-	3.80

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)

Notes to the financial statements for the year ended March 31, 2023
(All amounts in ₹ In Lakhs, unless otherwise stated)

Managerial Remuneration (including bonus payable)		
- Rishi Agrawal	57.28	50.00
- Sandeep Agrawal	57.28	50.00

*Managerial Remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on actuarial valuation carried out for the Company as a whole.

Other expenses (reimbursement paid)	March 31, 2023	March 31, 2022
Key management personnel		
- Rishi Agrawal	6.70	14.42
- Sandeep Agrawal	18.35	11.98

(iii) Outstanding balances as at year ended
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Name of the related parties	Description of account balances	March 31, 2023	March 31, 2022
- Rishi Agrawal	Trade Payables	0.99	2.94
- Sandeep Agrawal	Trade Payables	1.62	2.77
- Garima Gupta	Trade Payables	-	1.80
- Rishi Agrawal	Salary Payable (Net)	2.55	3.09
- Rishi Agrawal	Bonus	2.50	-
- Sandeep Agrawal	Salary Payable (Net)	4.35	3.09
- Sandeep Agrawal	Bonus	2.50	-
- Teamlease Services Limited	Trade Receivables	8.00	12.25
- Teamlease Services Limited	Trade Payables	13.16	13.80
- Teamlease Edtech Limited	Trade Receivables	1.67	0.45
- Teamlease Edtech Limited	Advance for Services	20.00	-

*As the liability for gratuity and leave encashment is provided on actuarial valuation basis for the company as a whole, the amount pertaining to directors are not included.

Terms and Condition's:
As per Agreements, all intercompany receivables and payable balances are due within 30 days of invoice date.

Note 38: Contingent Liabilities
There are no reportable contingent liability.

Note 39: Commitments
(a) Capital commitments
Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2023 NIL (31 March 2022 : NIL)

Note 40: Struck Off Companies
There are no transactions, investment, receivables, payables outstanding from/to struck off companies during the year (March 31, 2022: Nil)

Note 41: Other Statutory Information
(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(iv) The Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(v) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
(vi) The Company has not complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the transactions and the tarnsactions are not voilative of the prevention of Money Laundering Act 2002 (15 of 2003)
(vi)(A) The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b)provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi)(B) The Company have not received any fund from any persons or entities , including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b)provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Teamlease Regtech Private Limited
(Formerly known as Avantis Regtech Private Limited)

Notes to the financial statements for the year ended March 31, 2023
(All amounts in ₹ In Lakhs, unless otherwise stated)

Note 42: Key Ratios

Particulars	Formula	March 31, 2023	March 31, 2022	Varation	Varation%	Remarks
Current ratio	Current assets/Current liabilites	1.22	2.29	(1.07)	-47%	There is around 11% decrease in the ratio mainly due to increase in liabilities relating to advance taken from customer INR 20 lakhs
Debt equity ratio	Total debt/Shareholders' Equity		-		0%	No debt as on March 31, 2023/March 31, 2022
Debt service converage ratio	Earnings available for debt service/debt service	-	(0.16)	0.16	-100%	No debt as on March 31, 2023/March 31, 2022. Hence ratio not disclosed
Return on equity ratio	(Net profit after taxes-Preference Dividend)/Average Shareholders' Equity	(0.08)	(0.17)	0.09	-51%	The loss is now reducing and so the ratio is now improving.
Inventory turnover ratio	Cost of goods sold or sale/Avg Inventory		N/A	NA	NA	No inventory maintained and hence no reporting
Trade receivable turnover ratio	Net Credit sales/Avg. Accounts receivable	6.87	5.78	1.09	19%	No major variation
Trade payable turnover ratio	Net Credit purchases/Avg. Accounts payable	4.50	4.93	(0.43)	-9%	The creditors turnover ratio has improved over previous due to better cash flow management.
Net capital turnover ratio	Net sales/Working capital	15.73	9.88	5.85	59%	The sales of the company has improved over previous years which is reflecting in better net capital turnover ratio.
Net profit ratio	Net profit/Net sales	(0.05)	(0.15)	0.10	-64%	The loss of the Company is reducing and the company is slowly approaching breakeven with improved sales. Hence, the variation
Return on capital employed	Earnings before interest and tax/Capital employed	(0.08)	(0.32)	0.24	-74%	The improvement in the negative ratio is due to better sales and less loss over previous year.
Return on investment	Interest (finance income) + net fair value gains on current investments + net gain on sale of current investment/Investment = Non current investment + current investment + loans		N/A	NA	NA	The Company only has investment in fixed deposit, which is not considered in calculating the ROI, hence the same is not disclosed here.

Note 43: Previous Year Figures
The figures of the previous periods have been regrouped/reclassified, where necessary, to conform with the current

For ARTH & Associates
Chartered Accountants
Firm Registration Number: 100868W

ARTI SAMIR TELANG
Digitally signed by ARTI SAMIR TELANG
Date: 2023.05.09 16:19:57 +05'30'

Arti Telang

Partner
Membership No. 113368

Place: Pune
Date: May 09, 2023

For and on behalf of the Board of Directors
Teamlease Regtech Private Limited

SANDEEP PRADEEP AGRAWAL
Digitally signed by SANDEEP PRADEEP AGRAWAL
Date: 2023.05.09 16:10:02 +05'30'

Sandeep Agrawal

Director
DIN No : 05015428

Place: Pune
Date: May 09, 2023

RISHI AGRAWAL
Digitally signed by RISHI AGRAWAL
Date: 2023.05.09 16:09:39 +05'30'

Rishi Agrawal

Director
DIN No : 06614269

Place: Pune
Date: May 09, 2023