Kaar
In Pursuit of Excellence

Annual Report
20 - 21

DX stands for
Digital Experience
A Pioneer in Digital SAP offerings

An SAP dx Company

SAP Gold Partner

While we are working continuously & relentlessly, to create a true 'DX' for our customers and sustainable great workplace for our employees, these areas are something that stands as a testimony of our efforts for building a
'A Great Place To Work'.

(i.e. these around 5 areas at Kaar Tech)

Because
We Hire the best of the best talents!

Digitized Recruitment Process

Powered by KEBS and embracing the tenets of Kaar Tech, we always have robust recruitment & selection process workflows and hire the cream layer of the talents all over the state and the nation

Hire Tough & Manage Easy

Multiple competency based filters & interviews which qualifies the feedback on candidates with comments & quantify with scores for consolidated relative ranking (CRR) of potential candidates.

Culture Interviews

'Culture' eats 'Strategy' for breakfast, lunch & dinner. Potential candidates go through 'Culture Interviews' apart from the normal 'HR Interviews', and today we will have the right fit and the rock stars who can bring about true digital transformation with the right values & culture aligned to that of KT.

Top Talent Attraction

Top Talent Attraction: At Kaar Tech, we hire the top Gen Z talents from top engineering & business schools throughout the country and the year on year intakes have increased the innovation & delivery excellence, owing to our ability to provide fast-tracked career progression.

Talent Acquisition

'Goes Local & Global': As we enlarge our business vision, beyond the Middle East, and expand our geographical horizons into APAC, USA & UK, we hire local nationals of the land into our global offices around the globe & provide local talent with quick global opportunities.

Referral Programs

'Familiarity breeds talent'. High-value talent at Kaar refer Great-value talent from the industry through our Referral Program called KERN (Kaar Employee Referral Nest) & win exciting cash awards.

'Come Home to Kaar' Rehire Program

Many of our ex-employees who had missed the Kaar-Experience in other companies, have re-joined us, through this rehire program. *"Replacing an employee can cost a company 3 times the employee's annual salary, affecting the overall economy by more than $350 billion dollars per year." – Gallup Study.*

Welcome to Kaar

Is a comprehensive induction program, with a welcome kit, that introduces the new hire into a new world of growth & opportunities. Is a detailed mailer that serves as a ready reckoner & helps find answer to any question of the new joiner until he/she gets acclimatized.

Campus To Corporate (C2C)

Every fresh engineering graduate & MBA goes through our 6 months intensive Campus To Corporate – Induction Program, woven around technical, functional, professional, soft skill & behavioral aspects creating experts with an aspiration of creating Full stack Techno-Functional SAP consultants.

Because
We Inspire
through our culture...

An orientation on Kaar values & culture, has been embedded into the HR induction for new joiners, to reinforce company´s values, mission, vision, etc. & foster a sense of pride in the company.

11 Kaar Culture Tenets

On mugs, desktop-posters & danglers in every workstation & around the office, is a daily reminder to live our culture tenets & values.

Because
We Communicate and listen to every employee in the organization...

- **'CEO-Employee Connect' Sessions** Are organized when the CEO visits every office/region around the globe at regular intervals.

- **'HR-Employee Connect' Sessions** Are organized at intervals for employees with the Head of HR for swift redressal of queries.

- **'P&L/Dept Head-Employee Connect' Sessions** Every P&L/Department Head connects at regular intervals with employees in their respective P&L/Department for better collaboration

- **Global Town Halls** Regular town halls are organized, for the CEO to communicate important information, changes & achievements, etc. at regular intervals.

- **Open Door Policy** Culture of open door policy is propagated for effective downward & upward communication at all levels.

- **Newsletters & Corporate Communication Mailers** Frequent mailers & newsletters from the Corporate Marketing team enlightens the employee on all the happenings at Kaar Technologies.

- **Blogs** Frequent inspirational blogs by members of the Kaar Leadership Team helps in knowledge-sharing & brand-building.

- **Yammer & Sway newsletters** Is an active enterprise-platform in Kaar for employees to post, receive likes & comments on anything & everything related to work.

- **Collaboration WhatsApp Groups** Almost every team & department functional & cross-functional, have their own WhatsApp groups to communicate swiftly & effectively with fun.

- **Focus Group Team Discussions**
Are organized frequently to hear our employees & resolve concerns.

- **Happy Meter Survey** Scores in the past years have been commendable and helped us understand the happiness index score & improve by bridging the gaps by talking to unhappy respondents directly.

- **Great Place to Work Survey** Results in the past years have always have been commendable & has propelled us to improve as an organization in ensuring a great place to work.

- **Coffee with Manager** A pep talk with the senior leaders/management/board of directors to eliminate corporate fears and maintain flat hierarchies

- **Kaar Day & Annual Leadership Meeting** Is a Kaar Family celebration to learn, appreciate & celebrate the joy of being a Kaarian.

Because We Collaborate with Never seen before Cadence & Governance...

P&L Structure: We have gone into the P&L structure, to focus more on growth and operations, quicker decision making, proximity to customers and partners. Many global organizations are functioning in this fashion and it has given proven results; this introduction of the P&L structure at Kaar will help us to achieve our 'Vision 2025' of becoming a public listed organization.

Practice Structure: Concept of Practices is to enhance the Project Execution and Organizational Development for future growth. Each Practice is led by a Practice Lead (PL) and in turn the Practice Lead will report to Practice Head (PH). All consultants both at offshore/onsite will be part of one of the practices depending on their competency / module and will have dotted line reporting to their PL.

Monthly Management Team Meeting (MTM): The Management team meets every first Thursday of the month, to discuss, deliberate, review & plan the course of action in steering the organization to success.

Monthly Team Meetings: Are organized by the P&L/ Department heads for knowledge sharing, review books, analyze metrics & plan the course of action in steering the department effectively. These meetings provide greater synergy & productivity.

Kaar Project Repository: A home-made platform that captures the depth of expertise Kaar has gained in the past decade in various verticals, horizontals & geographies.

KEBS: Is a home-made platform that is being built for internal approvals, 360 degree governance, cadence, socializing, communication, idea-generation, etc.

Weekly All Hands and Deep dive governance: Senior Management collaboration to discuss operational, tactical and strategic initiatives

Employee Engagement Centre (ECC): Ensures that all employee queries received 24/7 is routed to the respective departments & resolved amicably.

Internal Complaints Committee (ICC): As per the 'The Sexual Harassment Of Women At Workplace (Prevention, Prohibition and Redressal) Act 2013' Kaar has pronounced, zero tolerance on workplace harassment and this policy is in force to prevent any such incidents. Anyone who is affected by such harassments can approach the ICC Board in the organization.

HRBPs: Every P&L /Department has a dedicated HR Business Partner assigned to cater to the services of employees.

Stay Interviews: Helps to retain high-potentials, from exiting the organization & enables them have a long and rewarding career at Kaar.

Fun at Work: Regular hangouts, indoor & outdoor sports events, festival celebrations reflect the ethnicity at the workplace

Wellness Programs: Eye, dental & wellness camps are organized for the well-being of employees.

Compulsory Week-Off: Though we are to provide round the clock support to our middle-east clients, every Saturday is observed as a compulsory week-off to all.

Team Outing / Lunch: Departmental team outing bud get is allocated.

Paid & Festival Leaves: 18 paid leaves per year and 12 government holidays are given to the employees.

Compensatory Offs: Comp-offs are given to employees working on week-offs or holidays.

Maternity Leave: All women employees are eligible for 6 months maternity leave as per the Maternity Benefit Act 1961.

Paternity Leave: All male employees will be eligible for Paternity leave of 2 days in a year.

Compassionate Leave: All employees can avail 3 days of compassionate leave in case of death of immediate family members (parent/spouse/child/sibling).

Because
We Nurture, recognize and reward deserving employees..

Spot Appreciation: In meetings & through mails helps employees feel recognized & appreciated instantly

Annual Excellence Awards: Rising stars, Star performers, Kaar Pillars, Best project manager, Best Mentor, Best project and Kaar Ideal project are annual excellence awards conferred during the Kaar Day & Annual Leadership Meeting celebrations.

Long Service Awards: Medals and gift tokens awarded to employees who complete 5 years & 10 years.

Star of the Month Awards: Recognizes 11 Culture Tenets of Kaar, Competence, Consulting, Commitment, Communication, Interpersonal & Leadership skills exhibited by an individual in every department, every month.

Management Team Award: Is conferred by the Management Team Members, every month, in public, to employees/teams for exceptional contribution to the organization's success.

Mentor-Mentee Program: Every fresh Engineering &MBA graduates are made to align with a Mentor, who is a Senior Leader for coaching & mentoring.

Kaar Leadership Program: Almost 25% of the organizational employees has been identified & enrolled into this program to create a future-ready-pipeline of leaders. Their leadership competency is being honed through mentoring & a structured development plan.

Skill Enhancement Program: Apart from External Certifications, 'Kaar Internal Certification' Programs helps employees to upskill, reskill or cross skills in 9 Domains & 160+ SAP Skills

Soft Skill eModules: 50+ home-made online 1 hour online-capsule-courses helps employees improve on communication, customer success, leadership, personal effectiveness, culture, etc.

Toastmasters club and 6Cs of Charismatic Leadership Training – Tailor made for Kaarians, we will bring in industry leaders to deliver best in class lectures to create a good window for those who are willing to improve their leadership qualities, equip with skills to develop powerful and persuasive business presentations, eliminate the fear of facing audiences, enhance public speaking skills etc.

Job Positions Rotation: "Millennials and GenZ, hose born after the 90s are especially quick to change jobs
if they feel bored, unappreciated or disconnected". – Gallup Study. Helps employees move across practices, departments & roles, to unleash their potential & prove themselves.

Career Progression: "GEN-Z (Young Focused Individuals) look for clarity in career progression" – Aon Hewitt Study. A clear progression chart is available for employees to move from one level to another during their stint at Kaar.

Global Exposure: Is available in abundance to our SAP consultants through long & short term onsite opportunities.

ESOP: Is in vogue, for sharing value creation. Longevity Option were granted to 500+ employees;, Growth Options were granted to 15% employees & Performance Options were granted to 250+ employees.

Sales Incentives: A comprehensive & attractive incentive policy is applicable for members in the sales team.

Compensation: Clear grade system based on which the compensation is structured. Above market standard

Benefits: Medical Insurance is provided to employee their spouse and 2 children covering 2 lakhs & 50K for maternity. All employee are also covered under term life insurance policy.

Travel Advance & Insurance Policy: Is available for SAP consultants/sales/ travelling onsite.

Performance & Goals: Are assigned & measured frequently via KEBS against 4 Goal Sections, namely Key Performance Indicator, Corporate Alignment Assessment, Employee Life Cycle Assessment & Kaar Culture Assessment.

Employee Engagement = Heads + Hearts + Hands at Work; This is the bloodline of all our efforts & interventions at Kaar Tech.

Change Agents of Kaar Tech

Kaar Tech is what it is today, only because of the people, their interconnectedness, shared mission, common values and their personal bond that transformed us from an wiggling worm into a lively butterfly with its own unique color, character and vivid shape. By virtue of the geographical spread and the present situation, it's only natural for Kaar's various entities and our employees to develop a sense of isolation and disconnectedness from happenings all around.

As a company we always collaborate, share, come together, rejoice and celebrate every moment of our journey making it more memorable. Every individual's path of Kaar family is strewn with countless intense moments of passion, dreams, desire, hard work, sweat, learning experiences, success and setbacks.

Its natural that every business goes through cycles of crests and troughs and our company is no different. The solidarity and resilience to such times exhibit the real culture and the bond between us. In that way, our company has the greatest of the greatest pillars or the change agents who are also like the extended family without whom we might not have emerged out of the tough situations unscathed.

We salute every individual's sacrifice, dedication and sweat, in whatever remote corners they work from, far from limelight, day in & out for their efforts that makes Kaar breathe every day successfully.

Sudhakar Narayanasamy
Vertical Head, KSA

An Exhilarating Leader with amazing leadership qualities, Sudhakar joined the firm as an Associate SAP PP Consultant and has later donned a variety of roles as a project and delivery manager for some of the most notable implementations in KSA and Bahrain!

Having handled some of the largest and most renowned accounts in KSA and Bahrain, It is his unique skills like predicting the future, micro level planning and effective risk mitigation measures that differentiates him from the other leaders. Talking to all of his colleagues and people who reported/reports to him, one common feedback is his style of charismatic leadership. His approach of not dictating work and natural instincts of quick decision making makes him a trustable leader and a go to man at all crisis periods!

Thangeswaran. K
SAP Technical Practice Lead

In 2006 Thangeswaran T.K joined Kaar Tech as a fresher. Even in the wildest of the dreams, neither him nor the senior management imagined that he will be the person responsible for hiring the best of the 250 top minds today. The kind of respect he commands is admirable among the consultant fraternity. Probably it has to do with his un-assuming, calm, composed and humble demeanor blended with zero ego personality. He has become the mentor for almost half the consultant workforce that Kaar Tech has today.

Kaar Tech has a great admiration for his ability to spot, hire, train, nurture, mentor and make each consultant excel. It is almost like spotting an uncut diamond and chiseling it to its perfect luster.

Kaar wouldn't exist with you!

Mahesh Kanna Thiyagarajan
Country Head, Oman & UAE

A very committed individual, Mahesh helped formalize the AMS support strategy and mentored countless young SAP consultants and project managers with his freshers hiring structure and models. He has also been instrumental in setting up KCloud & Practice head structure as a part of his strategic initiatives and his amazing skills in resurrecting projects from the scratch makes him one of the dependable senior leaders at Kaar Tech.

In this current role as Country Head of Oman & UAE, He is driving continuous profitability and is also taking the firm to new heights in the SAP Ecosystem. Although Mahesh has this aura of toughness about him, he is gentle at heart and a man with a golden touch.

Srinivasan Subbiah
Practice Lead, SAP HCM/SFSF & Analytics

Srini has been there since 2012 with Kaar Tech. With a strong focus on quality, consistent delivery and professional approach, Srini has always been the go-to man for delivering maximum value to our customers right from Kaar Tech's inception.

With extensive knowledge and years of experience in ERP Packaged solutions, Srini all through his service have been instrumental in delivering SAP Application Hosting, Project support/AMS, Development services, Implementation Services, Upgrade Services and what not in SAP. With a great mix of Content & Delivery expertise, Process orientation, Customer friendly and User centric approach, Srini has the motto of "Exceeding the expectations of every customer every day and brings maximum value to our customers with a constant urge to excel.

Vaidehi Srinivasan
Senior SAP Solutions Architect

The Jhansi Rani of Kaar Tech. Vaidehi has been with Kaar since 2008. A well respected, well aligned and a much-admired personality, she has been one of the reason for every growth in the organization. An enthusiastic performer who brightens everyone in the team with her spirit. Because her support to Projects are multifold and she gets involved in the early stages of the project acquisition, she has played an instrumental role along with Kaar Tech's journey all through. She also serves as a role model for the women workforce of Kaar

What differentiates is her work-life balance because she's a mother of two, an incredible wife and a great Kaarian as well. She is an athlete with accolades of many marathons to her kitty and continues to do so, as we read this piece of content about her.

Saravanan Sevugaperumal
Practice Lead, SAP Manufacturing

Saravanan joined us on the 14th February 2007. He is the cool captain of Tril Delivery ship. A huge chunk of Kaar Tech's people report to him and he takes care of them like a God-Father.

He refuses to sit in his cabin and is always surrounded by people at Kaar. He is one of a kind leader and wins the crowd by his leadership skills hands down. Always carrying a charm, He has seen crests & troughs of Kaar and has given many successful Go-lives as a project manager and a practice lead. He has played an important role in pooling the best talents through campus recruitments for the last four engineering batches.

Rajesh V.D
Head of Global Presales & Bid Management

Rajesh joined Kaar during 2007 and he is one of the very few staunch Kaarians to have taken up every responsibility ranging from sales to delivery with a broad smile till today. He has contributed to the success in every single role he has taken. Adding to his technical know-how and acumen, he is also a calm, composed leader who never lets out his frustration/setbacks to disturb his work and people

His roles at Kaar ranged from being a consultant, project manager, heading KCloud, and now Heading Presales. In 2007, when Kaar had taken the first project in Aramco, Rajesh joined us with few other associates and envisions success as a journey, not just a destination. Known for his persistence, Rajesh has stood by us in all weathers proving his choice of commitment to Kaar.

Parameswaran Narayanan
Business Unit Head, US

Param joined us during 2008

He started his career with Kaar as a presales consultant in the year 2008 and was crucial for winning innumerable contracts in GCC. He got promoted as an Accounts Manager for EAM in 2014. He then went on be a regional sales head in KSA and Bahrain, later taking up the role as the P&L head of Qatar and now continuing his extraordinary performance managing the Business Unit for one of the most strategic regions – US as its head.

He is known to resemble the Oscar winning music director, AR Rahman for his humble and down to earth nature and never letting any of his triumphs and victories travel up to his head. Param carries an unusual wit, an extrovert and an outspoken personality who would meet the demands of sales like a dynamite for any given region. He will be one of the most important Key mover & shaker of the organization in the upcoming years.

Santhosh Kumar

Head of Global Marketing

Santhosh, who has been instrumental right from Kaar Tech's Inception since 2006 to the present P&L Ownership of UKQ, has now geared up to don a new role as the Head of Global Marketing. A doyen of sales and a mentor to multiple generations of sales teams within the firm, Santhosh is full of energy. Starting as the first executive in the Business Development team of Kaar, he was heavily instrumental in steadily building a smart team of SAP Sales & Pre-Sales professionals and registered a constant upward trend in the graphs of Middle eastern regions.

He has also never hesitated to take up a responsibility at Kaar ranging from Sales, Delivery, P&L and now marketing. His contribution to Kaar is unimaginable and has always been the people's man due to his unflinching energy & charm for all aspiring sales/marketing professionals.

Prakash Justin

Head of TAG & RMG

Prakash has been with Kaar for about 10 years now. He is a dynamic and a seasoned Senior Management Professional over 15 years of experience in Talent Acquisition, Talent Management, Stakeholder Management, Team Management ,Vendor Management and Process Improvement. He is currently Spearheading the Talent Acquisition and Resource Management Practice of Kaar Technologies

In the past, he has handled a 20+ Member team (Recruitment managers, Resource Managers and Recruiters), Mastering in JUST-IN hiring of SAP professionals playing a crucial role of increasing the headcount from 65 when he joined to 750+ today. He has always been the go-to person for the leadership and strategy to recruit 'Right Fit' employees in a cost effective & timely manner to meet business critical initiatives / goals

Gokul Natarajan

Operations Manager, US

Joined us 2nd July 2007, Gokul was hired through Kaar's first campus drive. The first campus drive that Kaar embarked upon was indeed a success because we have gained the finest of people from that drive. Gokul is a testament to this statement and he has traversed the longest path from a Technical programmer to a P&L during his remarkable tenure. He is always eager to achieve many heights in whatever role he takes and aims to imprint his name in every initiative that he undertakes. A frugal cost-conscious leader, hardworking and an authentic go-getter, Gokul is also a passionate Badminton player and a great cricketer too. He turned around Qatar from a moderate PBT region into a highly positive PBT region through his hardworking and committed nature. Gokul is now deployed as the operations manager for strategic projects in the west especially in the US owing to his leadership qualities.

Kaar wouldn't exist with you!

Chandrasekaran Venugopal
CFO

Chandru joined Kaar during 2013. From then till today, he has always been ever cheerful, ever optimistic creating an oozing enthusiasm percolating from him to his team. Chandru's spirit is so contagious that after an interaction everyone goes back with a dose of invincibility. High intelligence, High Humility and the highest of the work-ethic is what differentiates him. He is currently heading the Corporate Finance including fund raising, Strategic Financial Planning, Business Planning, Budgeting, Accounting including compliance of Indian GAAP, US GAAP and IFRS, Audit, MIS, Revenue recognition, arresting the revenue leakage, Legal, Treasury Management, Forex Management, Secretarial, Governance, Risk Management, Corporate Structuring, Mergers and Acquisitions.

Mohan Chander
P&L Head of Qatar and Kuwait

Mohan has been there with Kaar since 2011. He is a staunch Kaarian who has seen it all in terms of handling complex projects and architecting projects as a consultant and a project manager for major conglomerates in the Gulf region. He is a soft spoken, target oriented and has an uncanny sense of humor which makes him unique. Mentoring multiple consultants, Mohan has been a go-to man in resurrecting projects for us.

He is currently the Country Head of Qatar and Kuwait at Kaar Technologies. With his 12+ years of experience, working in different types of SAP assignments, performing multiple roles including SAP end to end Project Management in 6+ major implementation projects including S/4HANA and all additional enhancement modules diversified across industry verticals globally, Mohan is one of the key decision maker in our management team in devising strategies.

Jegadesh Balan T
Business Unit Head, UK & Europe

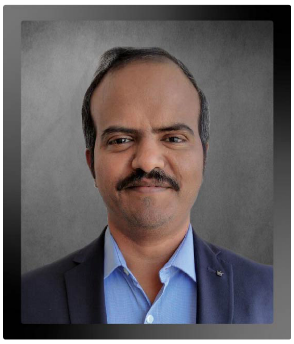
Jeg joined Kaar during 2009. He has been a loyal Kaarian handling various portfolios such as SAP Sales, Solution Architect & Design, SAP Support Services (S/4 HANA, Cloud Solutions, ECC), SAP Projects Delivery and currently handling the P&L of UK and Europe over his tenure at Kaar Tech. Jeg has an overall 14+ years of expertise across various SAP modules. He has also handled multiple projects diversified across 7+ Industry verticals across Geographies predominantly in the UK, Middle East and APAC.

With his Solution Architecture & Design, SAP Cloud Solutions expertise in S/4Hana public cloud, CX Solutions and Enterprise Mobility, Jeg is one of the rare gems of Kaar Tech with cross functional expertise. He is also an enthusiast for cricket and participated in various leagues hosted at local clubs situated at Huddersfield, UK during his leisure.

Kaar wouldn't exist with you!

Shahinsha Abdul Basheer
P&L Head of KSA & Bahrain

Shahin joined Kaar during 2015. With more than 15+ years of domain experience, his core expertise revolves around project management, team building, deal strategizing, negotiating, and developing customer relationships. His leadership for Kaar and KSA has been like the much-needed throttle or a silver bullet post the oil price dip and the falling middle eastern economy. His no-nonsense approach of handling large enterprise customers, strategic planning of scope items, cash & profit management has done wonders for Kaar Tech during the past 5 years since he took over. He has also been the most instrumental driver for principles (also standing by example) of defining clear payment milestones, customers funding their projects, art of negotiation, valuing higher gross margin projects etc.



Sukumaran E
Head of KEBS

Sukumaran has been with the organization since the inception. Over his illustrious tenure, he has donned various hats like SAP delivery and project management for countless assignments in the Middle East. Carrying a deep SAP Acumen, Sukumaran has been one of our greatest pillars and is right now championing the product initiatives like Kaar Enterprise Business Suite (KEBS) for kaar Tech. He has grown leaps and bounds inside Kaar and has always contributed to the organization in all facets. Apart from carrying various responsibilities, he has always mentored 100s of Kaarians along his journey on SAP consulting, project management and product engineering etc. His ability to stay calm during the period of storm defines and differentiates him from the rest.

Kannan Samynathan
Practice Lead, SAP Finance

A Strategic and a hands-on SAP FICO Practice/Functional Lead, Kannan has a very strong experience of about 12 years in SAP FICO space with excellent skills in Consulting, Implementation and Support. He is also having a solid support base of non-SAP ERP experience with over 18 years. Over the course of his illustrious journey, he has played many key roles in Managing, Consulting and Implementation of large and complex ERP Greenfield and data migration programs. Kannan is one of the most respected leaders in our consultant as well as the customer fraternity.

Rajkumar Asokan
Head of Global PMO

He has joined us on 20th August 2008. He has been with Kaar for 10 years, now heading the PMO. He has joined as MM consultant in 2008 and has been instrumental for many successful project completions. He has also been a versatile personality and holds a never say no attitude. Rajkumar stood by with the organization as a promising stronghold despite the ups and down with us

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About the company

Kaar

In Pursuit of Excellence

Kaar Technologies is a global consultancy firm that designs, delivers and deploys cutting-edge solutions for businesses around the world. The centrefold of Kaar Tech's portfolio features SAP license re-selling, implementation, hosting, landscape enhancement and support services to meet the needs of customers diversified across multifarious verticals globally. As the pervasiveness of the digital phenomenon is growing at exponential rates and businesses becoming increasingly sensitized to the same, SAP is retaining relevance by developing products tailor-made for this digital era. Kaar Tech having always aligned itself with SAP's strategic orientation, is poising itself to make the most of this state-of-affairs by developing resources and expertise in these pioneering digital offerings of SAP. Similarly, Kaar Tech has now positioned itself to harness the potential offered by the latest market trends with the likes of Cloud, Analytics, IOT, Blockchain, RPA, AI/ML, Mobility leveraging both SAP and its own indigenous solutions.

Kaar Tech takes a collaborative approach to client relationships - it forges partnerships wherein it operates concertedly with clients and delves deeply into all aspects of their firm in order to develop a comprehensive understanding of their challenges and pain areas. Kaar Tech works in close collusion with the client to arrive at the most optimum and wholesome solution, efficiently deploys it across the organization and supports the system with a team of seasoned professionals. In thus offering insights into areas of improvement rather than standard products, offering consultants and solution architects as opposed to mere implementers, offering a partnership of change agents over a commonplace business connection, Kaar Tech stands apart and adds immense value to its customers.

Driven by the steadfast pursuit of excellence, Kaar Tech exudes professionalism and proficiency in all areas of functions. Every day we are inspired to impact businesses with original and imaginative approaches and pave the way for tomorrow's digital breakthroughs.

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Values, Vision & Mission

Right from an employee's induction into the company, he/she is acquainted with the eleven cultural tenets, which lays the base or the foundation for the company. Our associates are encouraged to imbibe and practice these values constantly, so that they become a way of life at Kaar Tech. With a turn of phrase that is spirited as well as uncompromising on brevity, the eleven cultural tenets succeed in capturing the essence of Kaar Tech in all its nobility.

To transform our customer organizations by offering best-in-class SAP services and to become the best and largest pure play SAP Consulting company in the world.

To remain a socially responsible corporate entity, which will instill a sense of pride, joy and accomplishment in every facet of its interaction, to everyone associated, be it the employees, customers, vendors or stakeholders.

Years at a glance..

FY 05’

- Establishment of Kaar Technologies, India

FY 07’

- Partnered with a Dutch company, Phobos Group BV

FY 08’

- Partnered with Albilad Arabia Co. Ltd in KSA
- Won a 7 year IT contract with Saudi Aramco
- Became a 100 Employee Organization

FY 10’

- Establishment of Kaar Technologies Qatar
- Launch of Kaar products – Kaar Net and Kaar Watch
- Became a 300 employee organization

FY 12’

- Formation of BaasKaar, a JV in KSA
- Signed up a Million Dollar SAP implementation project in KSA.
- New office setup of 75L+sq.ft with state of the art Data Center.
- Became a 400 employee organization

FY 14’

- Establishment of Kaar Technologies LLC, Abu Dhabi
- Establishment of Kaar Technologies IT Consulting Pvt. Ltd., Shanghai
- Establishment of Kaar Technologies UK Ltd.
- Signed up a Multi-million dollar project in KSA
- Achieved the CMMI Level 3 status
- Extension of Delivery center in India by 8000+ Sq. Ft
- Leased a premium facility at TRIL at “The Ramanujam IT city - A SEZ
- Achieved a revenue of USD 15 Million
- Became a 500 employee organization

FY 15’

- Establishment of Kaar Technologies LLC, Oman
- Established an entity in Denmark
- Won the largest deal in Qatar from Muntajat
- Initiated processes to become a CMMI level 5 standard company by 2016
- Achieved a revenue of USD 18.25 Million
- Became a 600+ employee organization
- Achieved the status of Market leader in Middle East with 12 % market share

FY 16’

- Acquired the first client in the airlines sector
- Formed S/4HANA Cloud partnership with SAP in the UK region
- Initiated process to be a Cloud VAR partner in the APAC region
- Established office premises in Malaysia
- Appointed Mr. Balakrishnan as an additional Director – Ex. Infosys CFO
- Had begun internal implementation of S/4 HANA Cloud products
- Data Centre located in the UAE became fully operational – KCloud*(IP)
- Achieved the highest Order Book Value yet, amounting to more than Rs. 200 Cr.
- Achieved revenues amounting to USD 20 Million
- Acquired the GCC’s largest construction company as our client among the other major conglomerates
- Became a 650+ employee organization

FY 17’ & 18

- Resurrected Kaar Tech again and removed the dependency from the light of the GCC’s oil crisis (prices plummeting to never seen record lows during 15’ and 16’)
- A commendable Revenue share achieved (USD 19 Million) after the dip, signifying resilience against such economic forces.
- Business Model Revamp in terms of Scalable and Sustainable delivery models
- COE Strengthening and Delivery capabilities in Digital and Cloud services
- Robust Sales outfit for strong positioning in above arenas
- Increased the Wallet share from the other industry verticals
- Bootstrapped KTern*(IP) – The World’s only end to end SAP S/4HANA Acceleration Suite along with the Co-founder Ratna
- Western and APAC Market Expansion Business Models
- Bootstrapped *KEBS (IP) – Kaar Enterprise Business Suite, Kaar Tech’s indigenously built ERP for Sales, Presales CRM, Collection, Billing, OBV, Project Management, HR Employee Central and Workforce Management
- Partner Driven models with Ameri 100, Method 360, Hexaware for US/UK Projects

FY 19’ & 20

- Fully Operational and Established Western (US/UK/NL) and APAC Workforce and business models
- 2 More Offshore Delivery centers established at Pune & Hyderabad respectively
- Scaled the company’s Direct Western Market share from 0% to 15% (3.1 Million USD)
- Achieved a never seen before Overall Gross Margin of 55% in FY 20’ and the biggest spike in the PBT of 2 Million USD after the Oil Crisis Dip
- Achieved a significant reduction in SG&A costs due to the revamped business models
- Quality & Conservative Revenue recognition achieved along with an enhanced contract hygiene foreseeing every chances & scope for risks and mitigation
- Brought down the Write offs almost to 0 %
- Structural change in P&L, Practice, HR, Sales/Marketing and PMO to drive major transformation projects
- Scaling KTern*(IP) to become an SAP Qualified Automated Digital Workplace for SAP S/4HANA Digital Transformations along with Co-Founder Ratna (Listed in SAP App Center)
- Distinctive Campus Recruitment and Hiring Models to hire the best talents of the state & country
- Scaled KEBS*(IP) with additional features such as Ad-hoc Business Process Management modules, Embedded Analytics and Automation, Talent Management, Procurement and Logistics, Approval Mechanisms, Compliance & Audit.
- Robust Cadence and Governance Mechanisms established through KEBS
- Never seen before revolutionary transformation in terms of bringing down the Attrition Rate below 8%
- OKRs and Transparency, Mentor, Mentee relationship, Kaar Toastmasters club and 6 Cs of Leadership for enhancing soft skills of Employees
- The Universal Soldiers Concept - SAP Certifications, Full Stack Techno-functional consultants, Multi-faceted training, Exposure to new gen tech like AI, ML, RPA
- Creation of Intrapreneurs - Under Kaar Leadership Program, all the millennials and GenZ population in the company can Incubate their viable ideas and head them, which is potentially creating a talent pool that is never seen before fast tracked growth
- Work from home for Lifetime - Remote Worx Policy launch
- Brought in a reputed External Advisory for Inorganic Growth

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Past and Recent Accolades

Vodafone's Ready for Big League Contest, 2015

The awards ceremony is held every year as a platform for the top ten mid-sized enterprises in the country to showcase their business and potential to the world

Out of 15000 entries from enterprises across the nation, Kaar Technologies was one of ten companies to win the award for "demonstrating growth potential, the hunger to expand and scale up, and an affinity for communication technology"

A vignette on Kaar Tech's journey was aired on CNBC TV18 and featured in several leading business magazines

ICICI Emerging India Award for Business Excellence in 2014

ICICI's Emerging India Awards (powered by CRISIL) focuses on recognizing entrepreneurs "who are striving to create world class products and services, setting the highest benchmarks and optimizing opportunities across the globe"

The Limca Book of Records recognized Emerging India Awards as the 'Largest Business Award for SMEs in Indian History'

Kaar Technologies clinched this award, having been identified as one of the top 3 performers in the IT / ITES category among a whopping 1,00,000 nominees

SAP's Marketing Excellence Award – 2012

Kaar Technologies bagged the SAP award ' The Most Proactive Marketing Planner 2012'

Dubai, UAE: Kaar Technologies, global SAP consulting and solutions provider had bagged the award ' The Most Proactive Marketing Partner 2012' under Marketing Excellence category at SAP MENA partner kick off meeting. Kaar was felicitated with this award for its role in designing a marketing roadmap to communicate and translate SAP value to the customer community.

This was truly a pride moment for us. This award is a testimony for our commitment to value creation. We will continue our efforts to take the SAP benefits to business community at large' says Ratnakumar, Co-Founder, Kaar Technologies.

20 SAP Quality Awards

10+ Industry Verticals

15+ Years

2021 - Winner
Rapid Time to Value Category
Methanol Chemicals Company (Chemanol) KSA

2021 - Finalist
Rapid Time to Value Category
Leading private owned bank in Qatar

2021 - Finalist
Rapid Time to Value On-Premise Category
Leading Polysilicon manufacturer in Qatar

2021 - Finalist
Business Transformation On-Premise Category
KSA - State owned armed factory

2020 - Silver
Fast Delivery Category
Qatar - Utilities
SAP MRS, MII Implementation

2020 - Gold
Fast Delivery Category
KSA - Public Sector
SAP SRM Implementation

2019 - Bronze SAP EMEA Regional Level
Business Transformation Category
KSA - Investment Category
SAP Suite on HANA

2019 - Gold
Business Transformation Category
KSA - Investment Category
SAP Suite on HANA

2018 - Bronze
Fast Delivery Category
Oman - Oil & Gas
SAP S/4HANA Implementation

2019 - Bronze
Business Transformation Category
KSA - Investment Category
SAP Suite on HANA

These awards are just a testament to our core Culture tenet;

Obsession to Customer Service

We are the best SAP partner in the Middle East.
And, we can help you become one of the best-run enterprises in the Middle East.

2018 - Bronze
Business Transformation Category
KSA - Public Sector
SAP Business Suite on HANA

2018 - Bronze
SAP S/4 HANA Category
Oman - Consumer Goods
SAP S/4HANA Implementation

2016 - Silver
Fast Delivery Category
KSA - Industrial Machinery and Components
SAP S/4HANA Implementation

2015 - Silver
Fast Delivery Category
KSA - Utilities
SAP Greenfield Implementation

2014 - Silver
HANA Excellence
KSA - Conglomerate
SAP ERP Implementation

2015 - Bronze
Fast Delivery Category
Bahrain - Education & Research
SAP SLCM Implementation

2015 - Bronze
Business Transformation Catagory
KSA - Public Sector
SAP Greenfield Implementation

2013 - Silver
Best SAP Implementation Project

2010 - Bronze
New Business Applications Category
KSA - Industrial Machinery and Components
SAP ERP Implementation

2011 - Silver
Best SAP Implementation Project

The Board

Maran Nagarajan
Founder & CEO

An aspiring set of 4 first generation entrepreneurs (Maran, Ratna, Selva & George) and Engineering batchmates turned friends of PSG College of Technology (Coimbatore, Tamil Nadu) lead to Kaar Tech, their first righteous attempt in terms of venturing into the entrepreneurship arena with a vision to transform business organizations, provide best-in-class SAP service offerings and become the best & the largest pure play SAP consulting firm globally. With a very normal and a humble upbringing, these SaaS evangelists who emerged from the grassroots southern districts of Tamil Nadu were tremendously successful in different parts of the globe as executives in their handsome paying jobs. Maran, Chairman & CEO founded Kaar Tech in 2006 (A Bootstrapped Million Dollar SaaS consulting firm today), set the strategic direction forward with a vision and mission on target along with the Co-founders Ratna, Selva and George spearheading various attributes for the establishment of the firm at both the operational and tactical levels.

Maran, A firm believer in ethical business practices crafted Kaar Tech's operating DNA revolving around entrepreneurship and integrity. As a founder and the chief strategist, he guides Kaar Tech on many fronts including service innovations, technological advancements and knowledge management for the others.

Education

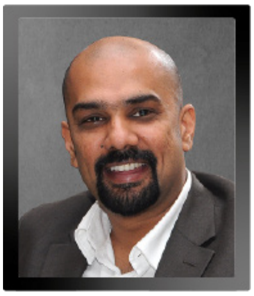
- Class of '94 Alumnus, Production Engineering from PSG College of Technology (Coimbatore)
- B.Lit. in Tamil from the University of Madras

Work Experience

- Worked for 2 Years in Crompton Greaves, Ahmedabad.
- Worked for 2 Years in Zubair Group, Oman.
- Worked as an SAP Professional in AkzoNobel, Netherlands for 7 Years.

Ratnakumar Nagarajan
Co-founder and Director

Ratna, One of the Executive directors who spearheaded business operations initiated in Europe and US, is currently heading all the operations and functions of the IP initiatives undertaken by Kaar Tech. He's has been the central driving force behind the various generations of leadership teams created to execute Kaar Tech's ambitious growth plans. Ratna is an expert in collaborating with multiple external entities to implement the world's best practices at every organizational level inside Kaar Tech and always makes sure that the company scales up the ladder to new heights constantly. A calculated risk taker, he also provides strategic direction on territorial expansions, founded KTern along with the Nominee (The Largest IP venture of Kaar Tech).



Selvakumaran. M

Co-founder and Director

Selva, Our COO has always been an enthusiastic advocate of the 'profitable business' philosophy. He has translated the doctrine into two great business assets at Kaar Tech - A highly efficient service capability and a vast knowledge reservoir across the organization. He led Kaar Tech's advent into the APAC region and is now carving a niche for the company among the SAP and the customer fraternity by heading the SAP Delivery and Practice of Kaar Tech. In his current role, he is evangelizing Kaar Tech's delivery models, establishing processes & people, driving Kaar Tech's mission to emerge as a strong force to reckon with in the very near future.

Gaurdian George

Co-founder and Director

George Gaurdian, A technocrat and a business leader whose incisive technical acumen closely matching to his business know-how, is currently heading the western and APAC expansions/entities of Kaar Tech. George's solutioning to complex business challenges are singularly holistic and truly out-of-the-box in all horizons. He is widely lauded for his skilled drawing of technology road maps and path ahead for customers globally, which always lie in line with their business vision and objectives. With such technical prowess, he directed the Kaar Tech's Centre of Excellence (COE) and his emphasis on futuristic, path-breaking technologies have always constantly evolved Kaar Tech's standards scaling to new heights.

To conclude, With friendship being the only bond (Driving force) and the able leadership of Maran (The Nominee), the company has experienced prosperous growth, withstood trivial scenarios, successfully overcome challenges and now have become a worthy competitor across the SAP ecosystem in the GCC and looking to feature among the elite SaaS consulting firms in the west and globally as well.

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Kaar's Leadership Team

Chandrasekaran V
CFO

Shahinsha Abdul Basheer
Head (KSA & Bahrain)

Rajesh V D
Head of Pre-Sales

Mahesh Kanna Thiyagarajan
Head of (Oman & UAE)

Santhosh Kumar
Head of Marketing

Rajkumar Asokan
Head of Project Management Office (PMO)

Mohan Chander
Head (Qatar & Kuwait)

Vignesh Ramesh Kumar
Head of HR

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The CEO's Column

1. How do you see Kaar's Journey over the last year?

The year gone by, has been one of the most uncertain filled with turbulence due to COVID making the world economy to witness a never seen before crests and troughs. Already equipped to withstand such unprecedented situations, the company's growth has not at all been impacted by such volatile times due to our yester year experiences when oil prices fell to a record low five years back. Initiatives like the PMO (Project Management Office) has brought in a massive impact in the overall project executions by institutionalizing and re-ensuring militant process adherence & rigour. This has also reinforced such a healthy predictability factor to our customers and added a real fillip to our executions front as well. Secondly, The Overall Working capital days have dramatically reduced over the years and more significantly over the last year. From Kaar financing the customers, there is a significant & a bold departure where customers have started entrusting Kaar with cash to fund the projects. The Working Capital Days have almost come down to <45 days from the 180 days 3 to 4 years ago. With all these being said, Kaar is growing and will grow leaps and bounds in the formative years, relative to the growth rates in the present. But yes, the last financial year has quite been a modest yet an official comeback year for us!

2. What is Kaar's broad strategy in the coming years and the rationale behind it?

There is a culmination of extraordinary Digital Transformation and the need for SAP S/4HANA Migrations globally. There are close to 40,000+ Fortune category organizations & firms who are using SAP and function as the primary movers & shakers of around 80% of the global GDP. These customers will definitely embark upon the S/4HANA journey and we are in the cusp of this much awaited market wave. Kaar is already well positioned righteously as a pure play SAP Digital Transformation company to harness this opportunity. The Broad strategy or the ultimate objective in the coming years would be to make Kaar with its deep SAP domain expertise of thought leaders and consultants, as one of the world's best SAP consulting firm in the arena of S/4HANA Transitions with a revenue of $100 Million and 5000 SAP S/4HANA Certified FTEs by 2025. Kaar will also look to intensify focus in the Cloud & support arena especially focussed in the western markets with likes of US, UK and the other European regions. It will channelize time and resources henceforth into SAP's Core S/4HANA transformation and the surrounding portfolios like the Cloud for Customer, Success Factors, Cloud for Planning, Cloud for Analytics, along with the other Beyond edge solutions like AI/ML, RPA, Blockchain and IOT. Kaar is also gradually evolving an IP direction with KTern, the Unique value selling proposition of Kaar, to diversify its interests in the coming year with aggressive explorations of new arenas for S/4HANA implementations.

3. What kind of promise does KTern hold and what is the roadmap for the product?

There is no single product in the world which can hold these large SAP business transformation engagements and accommodate the forthcoming huge market wave in the S/4HANA transformation globally. Starting from the pre-assessment, this single product can handle the end to end testing cycles, process mining, recommendation of process corrections along with the hand holding of final executions. This single product can significantly reduce the TCO of organizations by 20 to 30% during the digital transformations.

4. Which geographies is Kaar diversifying into and why?

Though a humungous share of Kaar's clientele is GCC-based for now, The United States (US) will become the most significant geography for Kaar in the coming years due to its 50% of the global SAP spend, 30% of the global Installed Bases (landscapes currently running on ECC or higher versions) and 60% of the IT consulting spend globally. With Fully Operational, Established Workforce and revamped business models particularly designed for the West, Kaar has already penetrated into these horizons and will look to ride through this huge market wave in the future. In fact, The US, UK and APAC revenue which clocked to nearly a 3.5 Million USD was really fruitful for us during the past year, resulting in projections worth of $5 to $7 million during the very immediate upcoming year. This is a healthy sign for Kaar and we have just set foot in these regions and is also in the process of bolstering and fostering more and more partnerships/acquisitions/business engagements of value in the region during the coming years.

5. How do you see Kaar's relationship with SAP, its future and the pursuant implications for Kaar's growth?

The fortunes of SAP and Kaar have so far been inextricably intertwined. As SAP has encountered crests and troughs in its journey, so has Kaar alongside of it. Kaar is also one of the very few notable SAP partners to have been an active recipient of the Annual SAP Quality Awards in recognizing partners execution prowess diversified across categories like Business Transformation, Fast Delivery and Best Practices of SAP year after year for over a decade now. Of late, SAP's strategy has undergone a colossal transformation post this COVID. Mindful of the approaching winds and rooms for change, SAP has gone from being just a navigator in the "Cloud & support" arena to being one of the top three companies in the world in the "Cloud & Support" arena. Aligned as it always has been with SAP and now that its focus on "sell-with" SAP has been intensified, Kaar too will exert itself to gain ground in the focus arenas of SAP both vertically and geographically as well. Also, Kaar's Regional Demand Generation Teams stationed to work with SAP across the GCC will stand as a testimony of our OEM relationship principles & ties.

6. How do you believe macroeconomic factors will impact Kaar's operations in various regions, especially COVID?

The Macro-economic factors has yielded and will yield only a strong positive impact favourable for Kaar's growth strategies. The Industry Experts believe that there is going to be a V-Shape recovery & macroeconomically there were pauses or commas in the whole economy, but life has already turned to normalcy like ever before. However, this COVID has helped us reimagine our delivery models with robust remote workforce and strengthening our offshore execution models. Before this unprecedented situation, there was a common proclivity to opt for onsite & physical presence in the customer premises for delivering projects. But today, it's absolutely demolished and this has given an impetus to the hitherto Kaar's primary focus of amplifying the offshore executions even for the largest of the largest SAP ERP or S/4HANA Greenfield implementations. In fact, this COVID has been a blessing in disguise where it has only re-iterated our core strength to our customers/prospects of how we have been managing even the largest of the SAP engagements with minimal onsite and maximum offshore resources. In a nutshell, this situation has only allowed us to display our mastery of offshore execution to our customers.

7. What is/will be sweet spot in terms of the target revenue segment for Kaar?

There is nobody except Kaar, when the Top IT Giants with the likes of Accenture, TCS, Deloitte, Mahindra, Infosys, CTS, Wipro, NTT are left out of the picture. The focus markets below the operations of these players are highly fractured, under serviced and under-utilized. Kaar is a significant player today in this market segment and will look to establish a sheer market dominance in the near future (The sub $5 Billion companies where these companies are longing for our competence). To be very precise, Kaar will rightly target the market segment of companies having a revenue of between "Par $500 Million and the Sub $5 Billion".

8. What are Kaar's goals over next one year in financial terms?

For the FY21', Kaar is looking to clock a revenue of anywhere in between $22 Million with an overall CAGR of 17% and EBIDTA growth of 16%. The Major focus would be to increase the revenue from the West (Particularly from the US, UK and APAC) to $4 Million.

9. What will be the core value proposition offered by Kaar to its customers in the post COVID Era?

The core value proposition will be the Successful Remote & Offshore execution with a Seamless Digital experience (DX) that we will offer to the customers henceforth. This is a bold departure and a cultural shift that we are making in the post COVID Era.

10. How does Kaar wish to establish its brand value in the coming years?

Kaar aspires to be the "Great Place to Work" and the best workplace for the best of the talents. The rest of the parameters like the financial growth, market dominance, extraordinary customer service and every other aspect becomes a natural by-product when best talents meet the best workplace. When it comes to any socio-political scenarios, Kaar will refrain from seeking controversial brand value and will always look to take a balanced or a healthy stand by aligning towards justice irrespective of any given situation

11. Do you have an Idea of going beyond SAP, If yes what will be the areas of horizontal de-risking ?

Digital Transformation is no more a choice post this COVID. It's a market reality and the huge market wave that will happen henceforth is inexorable. As mentioned earlier, With 40,000+ firms globally who are having SAP as their Core, have to digitally transform and move their core & satellite applications to cloud. This event will inevitably happen in the next 5 to 7 upcoming years and there will not be any valid need/reasoning to de-risk beyond SAP for Kaar. With Kaar morphing along with SAP in every facet, keeping in mind the current market conditions and SAP being one of the market leaders in the ERP & Digital Transformation space, there are absolutely no perceptions of risk at all.

12. What was the reasoning behind the sudden de-risking of Middle East and strategical shift to the Western markets?

The commodity prices plummeting to historic lows leading to falling oil prices coupled with market volatility in the GCC, made us diversify & expand our clientele in terms of both industry verticals as well as new geographical penetrations into the western markets. The S/4HANA move spreading like wildfire globally especially in the western markets with the likes of US, UK & APAC, we believe that Kaar is rightly positioned to capitalize this huge market wave. Owing to the current SAP & IT spends happening and the ongoing market wave, we are slowly and consciously de-risking our people, process and technology levers seamlessly to maximize our business in the west.

Director's Report

DIRECTORS REPORT

To

The Members

KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

Your Directors have pleasure in submitting the Fifteenth Annual Report on the business and operations of the company together with audited statement of accounts for the year ended 31st March 2020.

1. Financial result:

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

Particulars	Year Ended 31.03.2021 (Lakhs)	Year Ended 31.03.2020 (Lakhs)
1. Total Income	15,127.60	13330.06
2. Total Expenditure	12,984.67	11527.05
3. Profit/(Loss) before Tax	2,142.93	1803.01
4. Tax Expense:		
(a) Current tax	465.79	363.75
(b) Provision for Tax Deferred Tax Asset	(12.37)	187.03
5. Profit After Tax	1,689.51	1,252.23
6. Other Comprehensive income	(43.15)	13.56
Amount Carried to Balance Sheet	**1,646.36**	**1,265.79**

2. State of company's affairs:

During the year, Turnover was at INR 14,734.23 Lakhs as compared to the previous year Turnover of INR 12,855.44 Lakhs. The Profit for the Current year stood at INR 1,689.51 Lakhs when compared to previous year of INR. 1,252.23 Lakhs.

Your Company's performance primarily relates end to end SAP business solutions in order to enable clients enhance their business productivity &performance. Our investment in tools, processes, governance mechanisms and various new geographies, are paying off today with handsome revenues, reporting a considerable growth and a bold departure setting the stage for an accelerated growth in the next 5 years.

Your Company is having presence in various verticals, comprising Manufacturing, Oil & gas, Retail, Healthcare, Public Sector & Education and other segments.

Business Highlights (2020-21)

Your Company's revenue stands at INR 14,734.23 Lakhs in financial year 2020-21. During the year under review, the nature of business of the Company has not changed.

Performance of Operational subsidiaries:

UAE: Revenue booked for the FY'21 was INR1.70 Crs, as against FY'20 value of INR 6.30 Crs.

Oman: Revenue booked for the FY'21 18.68 was INR Crs, as against FY'20 14.93 Crs.

Qatar: Revenue booked for the FY'21 was INR 13.13 Crs, as against FY'20 value of INR 13.25 Crs

Bahrain: Revenue booked for the FY'21 was INR 22.56 Crs as against FY'20 value of INR 1.05 Crs.

UK: Revenue booked for the FY'21 was INR 4.84 Crs, as against FY'20 value of INR 9.02 Crs.

USA: Your Company has secured a new order successfully and has booked Revenue of INR 18.57 Crs for FY 21 as against INR 5.37Crs in FY 20.

Your Company continues to intensify its search for new customers in these regions while braving the tough market conditions presently prevailing in the European market.

3. Change in nature of business:

There was no change in the nature of business of Company.

4. Dividend:

The Company has declared and paid Interim dividend of Rs.3.34/- per share amounting to INR. 1,50,01,687/- as approved by the Board at its meeting held on 10th November, 2020 during the year under review. The same shall be considered as the Final Dividend of the Company.

5. Reserve:

The profit of Rs.1,646.36Lakhs of the company has been transferred to reserves and surpluses at the end of the Financial Year.

6. Deposits:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the current financial year as well as in earlier years.

7. Share capital:

The Paid-up Equity Capital of the Company as on 1st April, 2020 was Rs. 43,92,553/- During the year under review

1. The company's authorized capital was increased from Rs. 60,00,000 (Rupees Sixty Lakhs) divided into 60,00,000 equity shares of Re. 1/- to Rs. 63,00,000 (Rupees Sixty Three Lakhs) divided into 60,00,000(Sixty Lakhs) equity shares of Re.1/- (Rupee One only) each, and 3,00,000 (Three Lakhs) Optionally Convertible Preference Shares (OCPS) shares of Re.1 (Rupee One) each. The said increase in authorized share capital was pursuant to approval of shareholders through special resolution dated 22nd July, 2020.

2. The Board of directors of the Company at their meeting held on 5th October 2020, allotted 29,853 [Twenty Nine Thousand Eight Hundred and Fifty Three] Equity shares of Re.1/- Each and 68,113 [Sixty Eight Thousand One Hundred and Thirteen] optionally convertible preference shares [OCPS] of Re.1/- each to employees of the Company.

3. The Board of directors of the Company at their meeting held on 10th November, 2020, allotted 69,117 [Sixty Nine Thousand One Hundred and Seventeen] Equity shares of Re.1/- Each and 1,12,488 [One Lakh Twelve Thousand Four Hundred and Eighty Eight] optionally convertible preference shares [OCPS] of Rs.1/- each to employees of the Company.

4. The Board of Directors at their meeting held on 22nd March, 2021, recommended issue of bonus equity shares, in the proportion of 1:10, i.e. 1 (One) bonus equity share of Re. 1/- each for every 10 (tem) fully paid-up shares held. The said bonus issue was approved by the Members of the Company vide resolution dated 24th March, 2021 passed through special resolution, subsequent to which, on 31st March, 2021, 4,67,259 bonus shares were allotted to the Members whose names appeared on the register of members as on 31st March , 2021, being the record date fixed for this purpose.

The Paid-up Equity Capital of the Company at 31st March, 2021 was 51,39,383.

8. Material changes and commitment if any affecting the financial position of the company occured between the end of the financial statements related and the date of the report:

The Board declared on June 4th ,2021, an interim dividend during the financial year 2021-22of Rs. 7,00,00,000 [seven crore rupees only] out of the surplus of profit and loss account of the Company) to those equity shareholders, whose name appears in the Register of Members as on 25th May 2021.

9. Conversation of the energy, technology absorption, foreignexchange earning and outgo are as follows:

a) Conversation of Energy:

The Company is a Service Company rendering services related to end to end SAP business solutions. The consumption of power is limited and efforts are put to conserve energy and utilizing power in an efficient and cost effective manner.

b) Technology Absorption:

The Company continues to use the latest technologies for improving the productivity and quality of its services and product. Our Technology are directly associated with the energy efficiency of the systems.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings during the year :

Particulars	Year Ended 31.03.2021 (Lakhs)	Year Ended 31.03.2020 (Lakhs)
Earnings	14,546.13	12,682.46
Total	**14,546.13**	**12,682.46**

Foreign Exchange outgo during the year: (Accrual basis)

Particulars	Year Ended 31.03.2021(Lakhs)	Year Ended 31.03.2020 (Lakhs)
Employee benefit expenses	1,831.94	2,626.99
Other Expenses	2,466.29	1,282.83
Total	**4,298.23**	**3,909.82**

10. Particulars of employees:

There were no employee drawing a salary in excess of the limits prescribed under the provisions of Sub Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence furnishing of information does not arise.

11. Risk management policy:

The Company has taken adequate measures towards risk management and ensured proper safeguard of the assets of the Company.

12. Details of internal complaints committees constituted in complaince with sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013:

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the 'said Act') has been made effective w.e.f April 13, 2015. The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the KAAR Group. To redress complaints of sexual harassment, an Internal Complaints Committee (ICC) of Kaar Technologies India Private Limited has been formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under.

The Internal Complaints Committees has not received any complaints under the said act till the date of this report.

13. Corporate social responsibility (CSR):

The Corporate Social Responsibility (CSR) committee comprises of three members, namely Mr. N. Maran, Mr. N Ratnakumar and Mr. M. Selvakumaran. The Committee is inter alia responsible for formulating and monitoring the CSR Policy of the Company. A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure A of this Report in the form as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Policy is available on the website of the Company at https://www.kaartech.com

14. Particulars of loans, guarantees or investments:

The Company has not granted Loans or Guarantees during the year under review.

The Company, pursuant to the approval of the Board at the meeting held on 18th December, 2020, has made investment in 3,100 Optionally Convertible Debentures of Rs. 100 each in NJT Network Private Limited and has also invested in 537 Optionally Convertible Preference Shares of Rs. 10 each in Joule Consulting Private Limited.

15. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under Fourth proviso thereto is disclosed in Form No. AOC -2 enclosed as **"Annexure B."**

16. Statutory auditors:

M/s. CNGSN & ASSOCIATES LLP, Chennai, (FRN: 004915S/S200036), were appointed as Statutory Auditors of the Company at the AGM held on 30th September ,2019 to hold office for a period of 5 years up to conclusion of Nineteenth Annual General Meeting of the Company. In terms of Section 139 of the Act, as amended by the Companies (Amendment) Act, 2017, notified on May 7, 2018, appointment of Auditors need not be ratified at every AGM. Accordingly, the Notice convening the ensuing AGM does not carry Resolution for ratification of appointment of Statutory Auditors. The Auditors have confirmed that they continue to fulfill the criteria for appointment as Auditor of the Company as prescribed under the Act and the Rules framed there under

17. Explanations or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditor:

Auditor's Report regarding arrears of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have not been regularly deposited during the year by the company with the appropriate authorities and there have been serious delays in many instances.

Explanation: The delay in payment to statutory dues was due to widespread of COVID 19 Pandemic which lead to delayed collections from the customers. However, the company is currently making arrangements to pay these undisputed statutory dues.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable, except the following:

Name of the statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount related
Income Tax Act, 1961	194A TDS Payable	11.34	From March 2018 to February 2019
Income Tax Act, 1961	194C TDS Payable	0.77	March 2020
Income Tax Act, 1961	194I TDS Payable	0.67	March 2018
Employees Provident Fund and Miscellaneous Act 1952	PF Payable	0.13	March 2020

Explanation: The above mentioned dues are under dispute and necessary action is being undertaken by the Company.

(c) According to the information and explanations given to us and the records of the company examined by us, the details of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (In Lakhs)	Period to which the amount related	Forum in which the appeal is pending
Finance Act, 1994	Service Tax	380.81	April 2016 to June 2017	Commissioner of Service Tax
Income Tax Act 1961	Income Tax	0.47	2009-10	Commissioner of Income Tax
Income Tax Act 1961	Income Tax	15.45	2012-13	Commissioner of Income Tax
Income Tax Act 1961	Income Tax	709.48	2016-17	Commissioner of Income Tax
Income Tax Act 1961	Income Tax	495.52	2017-18	Commissioner of Income Tax
Income Tax Act 1961	Income Tax	274.03	2018-19	Commissioner of Income Tax
Income Tax Act 1961	Income Tax	493.99	2019-20	Commissioner of Income Tax

Explanation: The company has filed appeals for the above mentioned disputed refund receivables from statutory authorities and necessary action is being undertaken.

18. Annual return:

The copy of Annual Return as required under Section 92(3) and Section 134(3)(a) of the Act has been placed on the website of the Company. The web-link as required under the Act is as under: https://www.kaartech.com

19. Number of meetings of the board of directors:

The Board of Directors of the Company met 16 times during the year.

20. Directors' Responsibility Statement:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

a. In preparation of the Annual Accounts for the year 2020-21, the applicable accounting standards have been followed.

b. The directors have selected such Accounting Policies and applied them consistently and made judgment's and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or (loss) of the company for the Financial year.

c. The directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d. The directors have prepared the Annual Accounts of the company for the financial year ended 31st March, 2021on a going concern basis.

e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively

f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Detailes of subsidiary / joint venture companies:

The details of financial performance of subsidiaries/associates companies/ Joint Ventures pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC-1 is furnished in Annexure C and attached to this report.

22. Directors:

There were no changes in the Board of Directors during the year.

23. Internal control systems and their adequacy:

The company has adequate internal financial controls such as defining authority to authorize financial transactions, Internal Audit and monthly review of financial statement mechanism in vogue. Further the company is not a listed company hence reporting on this clause does not arise.

24. Details of significant and material orders passed by the regulators or courts or tribnuals impacting the going concern status and company's operation in future:

There are no Order passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

25.Details of application made or any proceeding pending under the insolvency and bankruptcy code, 2016 during the year alongwith their status as at the end of the financial year:

There were no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

26. Details of difference between amount of the valuation done at the time of one time settlement and valuation done while taking loan from the banks or financial instituiton along with reasons thereof:

During the year under review, the Company has not settled any loans availed from Banks or Financial Institutions.

27. Acknowledgements:

Your Directors wish to acknowledge and thank the Central and State Government and all regulatory bodies for their continued support and guidance. Your Directors thanks our esteemed customers, vendors, business associates, banks for the faith reposed by them in your company and its management. Your Directors place on record their deep appreciation of the dedication and commitment of the company's employees at all levels and look forward to their continued support in the future as well.

For and on Behalf of the Board

Place: Chennai	**N. Maran**	**N.Rathnakumar**
Date: 20th November, 2021	**Managing Director** **DIN: 00130872**	**Director** **DIN: 01256584**

Annexure A

Annual report on csr activities to be included in the board's report for financial year commencing on or after 1st day of april, 2020

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. The objective of the CSR policy ("Policy") of the Company is to lay down guidelines for proper execution of CSR activities of the Company so as to support the sustainable development of the society. The Company has set up KAAR Arakattalai to focus on the CSR activities of the Company. The CSR activities, projects and programs undertaken by the Company shall be those as approved by the CSR committee and are covered under the areas set out in Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Committee presently comprises of the following members:

Sl.No	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. N. Maran	Chairmen	-	-
2	Mr. N. Ratnakumar	Member	-	-
3	Mr. M. Selvakumaran	Member	-	-

2. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on https://www.kaartech.com/csr/

3. The requirement of Impact Assessment of CSR projects in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 is not applicable to the Company.

4. Details of amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl.No	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set off for the financial year, if any
-	NIL		

5. Average Net profit of the Company for the last three financial years: INR 1,538.27 Lakhs

6. (a) Two percent of average net profit of the company as per section 135(5): INR 30.77 Lakhs

(b) Surplus arising out of the CSR projects or programmers or activates of the previous financial year: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): INR 30.77 Lakhs

7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.(in Rs.)	Amount Unspent (in Rs.) .30.77 Lakhs				
	Total Amount transferred to Unspent CSR Amount as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provisio to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
0	NIL				

(b) Details of the CSR amount spent against ongoing projects for the financial year - NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes or no)	Location of the project		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) in Rs.)	Mode of Implementation Direct (yes/No)	Mode of implementation – Through implementing Agency	
				State	District						Name	CSR Registration Number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl..No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes or no)	Location of the project		Amount Spent for the project (in Rs.)	Mode of Implementation Direct (yes/No)	Mode of implementation – Through implementing Agency	
				State	District			Name	CSR Registration Number
NIL									

(a) Amount spent in Administrative overheads - NIL

(b) Amount spent on Impact Assessment, if applicable – NOT APPLICABLE

(c) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 0

(d) Excess amount for set off, if any - NIL

Sl.No.	Particular	Amount(inRs.)
(i)	Two percent of average net profit of the Company as per section135(5)	INR 30.77 Lakhs
(ii)	Total amount spent for the Financial Year	0
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programs or	NIL
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	0

8. (a) Details of Unspent CSR amount for the preceding three financial years:- NIL

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified underScheduleVIIaspersection135(6),if any.			Amount remaining to be spent in succeeding financial years. (inRs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): -

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (inRs.)	Amount spentonthe project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year.(inRs.)	Status of the project - Completed /Ongoing
NIL								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). NOT APPLICABLE

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company is required to spend 2% of its average net profit of the Company for the last three financial years and the Company has allocated the said budget by way of creation of provision in its financials. The Company has identified a project of constructing a training center in association with KAAR Arakattalai. However, the CSR Budget as provided by the Company is not sufficient to commence and complete the project. Therefore, the Company will commence the project once the CSR contribution of the Company reaches the full value of the project, which as per our estimate will take two more years. Your Company is in continuous process of evaluating strategic avenues for CSR expenditure.

As a socially responsible company, your Company is committed to increase its CSR impact over the upcoming years, with its aim of playing a big role in India's sustainable development by embedding wider economic, social and environmental objectives.

For and on Behalf of the Board

Place: Chennai	**N. Maran**	**N.Rathnakumar**
Date: 20th November, 2021	**Managing Director** **DIN: 00130872**	**Director** **DIN: 01256584**

Annexure B
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name of Related party	Nature of relationship	Duration of contract	Salient Terms	Amount
NIL				

2. a)Details of material contracts or arrangement or transactions at arm's length basis as:

Name of Related party	**Nature of relationship**	**Duration of contract**	**Nature of Transaction/ Salient Term**	**Amount (In Lakhs INR.)**
Kaar Technologies Qatar LLC	Subsidiary	NA	Sale of services	1313.13
			Expenses	0.40
			Loan given	335.34
KAAR Technologies LLC Oman	Subsidiary	NA	Sale of services	1867.92
			Expenses	39.64
KAAR Technologies LLC Abudhabi	Subsidiary	NA	Sale of services	226.80
			Expenses	225.96
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	NA	Sale of services	2256.41
			Expenses	82.26
KAAR Technologies UK Limited	Subsidiary	NA	Sale of services	483.67
KAAR Technologies Inc., USA	Subsidiary	NA	Sale of services	1856.83
			Expenses	170.31
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint venture	NA	Sale of Services	6541.37
			Expenses	1947.73

For and on Behalf of the Board

Place: Chennai

Date: 20th November, 2021

N. Maran

Managing Director
DIN: 00130872

N.Rathnakumar

Director
DIN: 01256584

Annexure C
Form AOC- 1

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

Name of the Subsidiary		Kaar Technologies Qatar L.L.C.	Kaar Technology L.L.C. UAE	Kaar Technologies L.L.C. Oman	Kaar Technologies UK Limited	Kaar Technologies Inc. USA	Kaar Technologies Co WLL	Kaar Technologies Qatar W.L.L	Kaar Malaysia
S.No.	**Reporting Period**	**31-Mar-21**	**31-Mar-21**	**March 31,2021**	**31-Mar-21**	**31-Mar-21**	**31-Dec-20**		
1	Reporting Currency	QAR	AED	OMR	GBP	USD	BHD		
2	Exchange Rate	20.62	19.98	191.13	100.95	73.50	195.80		
3	Share Capital	2,00,000	1,50,000	1,00,000	100	10,000	20,000		
4	Reserves and Surplus	-1156683	-222577	104409	-275937	-147732	2738		
5	Total Assets	6445215	8030214	1024324	586199	2386241	236150		
6	Total Liabilities	7458898	8102791	806172	862398	2553973	210747		
7	Investments	0	0	0	0	0	0		

Name of the Subsidiary		Kaar Technologies Qatar L.L.C.	Kaar Technology L.L.C. UAE	Kaar Technologies L.L.C. Oman	Kaar Technologies UK Limited	Kaar Technologies Inc. USA	Kaar Technologies Co WLL	Kaar Technologies Qatar W.L.L	Kaar Malaysia
S.No.	**Reporting Period**	**31-Mar-21**	**31-Mar-21**	**March 31,2021**	**31-Mar-21**	**31-Mar-21**	**31-Dec-20**		
8	Turnover	4176899	1621609	1483927	908797	2389459	1210501		
9	Profit before taxation	262827	77972	88319	429865	5833	4188		
10	Provision for taxation	-23655	-	-16086	-	-	-		
11	Profit after taxation	239172	77972	72233	-	5833	4188		
12	Proposed Dividend	-	-	-	-	-	-		
13	% of shareholding	100%	49%	100%	100%	100%	100%		

Note: Net tax expense during the year disclosed

The following information shall be furnished at the end of the statement

1. The names of subsidiaries which are yet to commence operations – None

2. The names of subsidiaries which have been liquidated or sold during the year –

Kaar Technologies Norway As

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Name of Associates or Joint Ventures	BaasKaar IT Technologies SA Ltd
1. Latest audited Balance Sheet Date	31-12-2020
2.Date on which the Associate or Joint Venture was associated or acquired	22-01-2011
3.Shares of Associate or Joint Ventures held by the company on the year end	35%
Amount of Investment in	28,47,250/-
4.Description of how there is significant influence	Associate
5.Reason why the associate/joint venture is not consolidated	Consolidated
6. Net worth attributable to shareholding as per latest audited Balance Sheet(INR)	INR 1,85,04,808
7. Profit or Loss for the year	INR 39,73,431
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations - none
2. Names of associates or joint ventures which have been liquidated or sold during the year. - none

For and on Behalf of the Board

Place: Chennai

Date: 20th November, 2021

N. Maran

Managing Director
DIN: 00130872

N.Rathnakumar

Director
DIN: 01256584

Management Discussion & Analysis

Management Discussion and Analysis

A Dive into what exactly do we mean by “Digital” ?

We are residing today in a period of exciting innovations and changes around the Globe. Digitization, Digitalization and Digital Transformation today has fundamentally re-engineered the basic foundational pylons of the society altering the way data is generated, stored, processed, exchanged and distributed.

In combination with the digital way of processing even a tiny speck of dust today, Digitization also has led to the widening and emergence of newer and never seen before possibilities and business models globally.

Newer advancements also called as the “Digital Disruptors” of this decade like Artificial intelligence (AI), Internet of things (IOT), Machine Learning (ML), AR/VR (Augmented and Virtual Reality), Robotic Process Automation (RPA), Blockchain further created additional possibilities for newer forms of innovation, societal and economic opportunities for business firms today.

As data and information are the fundamental basis, forming the core of almost all forms of interaction in our society and economy right now, the revolution in the way they are organized and transmitted has profoundly transformed our daily lives. Many of these changes have greatly benefited businesses globally and today, we find it natural to connect virtually with anyone around the world just by the touch of a fingertip on our digital smartphones!

The accessibility of information to the fingertips has greatly increased – not least thanks to the evolution of new information intermediaries. Transacting across geographical boundaries and borders, both for individuals and firms today have become digital in matter of seconds.

End Consumer choices have increased big time and the “Digital way” today has brought in a revolutionary change in consumption of services cutting across diversified horizontals like finance, mobility and what not. Digitization is impacting essentially every industry, from manufacturing to services to agriculture to every basic touch point in the modern world.

With that being said, the term “Digital” has come a long way since its advent into the world of business. It is now an all-pervasive force of nature, possessing the power to make or break economies.

Technological Evolution of a “Digital Era”

While it was an already complex phenomenon to begin with, the digital space is growing exponentially now. The sheer quantum of raw data, information and intelligence suspended in the digital universe is colossal.

Every single day, the world creates an earth shattering 10 quintillion bytes of data which also means 90% of the data existing in the world today has been created over the past one or two years alone due to the digital revolution outburst. The Digital Social media today generates about 1500 million posts in all forms. By 2025, an astonishing 125 billion devices are expected to be connected sharing a common platform and matrix of information according to the global web-index reports.

This gives rise to unprecedented levels of complexity that businesses need to successfully navigate or choose the other side to perish by the wayside.

A recent data warehouse report from Massachusetts Institute of Technology (MIT) taken with a sample space of the world’s top 1000 companies operating in diverse realms like manufacturing, financial services, retail and so on, states that 90% of these companies reported their concern to data analytics discrepancies and complexities among the most crucial areas of business risks.

95% said they expected complexity risk to increase manifold in the next two years.

Just as astonishing is the fact that 70 to 75% of CXOs reveal complexity today as the reason for the upshot in operational costs by 18 to 20%.

225 out of the Fortune 1000 companies in the world are foregoing 13% of their annual profit- over $500 billion - due to data discrepancies, inadequate forecasting & analytics combined with other complexities.

Source : "AI and Analytics : Accelerating Business Decisions" The New Normal in Strategy and Enterprise Transformation authored by Sameer Dhanrajani

Therefore, businesses today have no other option or a choice but to undergo a complete digital transformation in the near future and embrace the beyond edge capabilities offered by the digital advancements to companies - not only to stay ahead of the competition but to ensure they are atleast part of the game.

The Cloud Voyage Acceleration during the coming years!

Cloud computing is one of the most important facet of the digital era and companies across geographies and industries are racing to reap its astounding benefits. Recent studies conducted by various agencies of repute all substantiate the same, and highly recommend cloud adoption. A compilation of key results of Cloud ERP studies conducted by Gartner, PwC, Forrester and Forbes -

1. A total of 55% of organizations surveyed planned to move their core ERP systems to the cloud within the next seven years.

2. By 2025, 70% of the organizations adopting hybrid ERP will fail to improve cost-benefit outcomes unless their cloud applications provide differentiating functionality

3. By 2026, at Least 45% of service-centric companies will move the majority of their core ERP applications to the cloud.

4. By 2027, the Cloud ERP total spend will undoubtedly destroy the On-premise ERP spend.

5. Net new license revenues for legacy or traditional ERP systems have been declining since 2019 to a level that has already been surpassed by global revenue from cloud-based SaaS digital solutions.

6. The more complex a firm's supply chain, distribution, selling and service channels become to support new business models, the more critical mobility is. The Cloud is more conducive to this sort of complexity and requirements of fluidity than traditional offerings.

7. Cloud helps in achieving faster time-to-market while reducing the total cost of ownership.

8. Legacy ERP systems lack the scalability catered by cloud to support the current century's security and compliance

9. SaaS-based manufacturing and distribution software will increase from the current 25% in 2020 to a whopping 55% by 2027

10. By 2024, more than 45% of IT spending on system infrastructure, infrastructure software, application software and business process outsourcing will shift from traditional solutions to cloud.

Source : "Smarter with Gartner Report – The Cloud Shift Impact on IT Market" – October, 2020

The reports and predictions hence suggests that the dramatically reduced infrastructure and resources costs, coupled with the freedom from maintenance hassles will undoubtedly hold an irresistible alluring factor to businesses globally starting from 2020 till 2030.

Industrial trends prediction till 2025

According to the recent Worldwide Semi-annual IT Spending Guide, released by IDC, worldwide IT spend is predicted to grow from $3.4 trillion in 2020 (down by 5.4% from 2019) to more than $5.5 trillion in 2025.

"In the 25 years that Gartner has been forecasting IT spending, never has there been a market with this much volatility," said John-David Lovelock, distinguished research Vice President at Gartner. "While there have been unique stressors imposed on all industries as the ongoing pandemic unfolds, the enterprises that were already more digital going into the crisis are doing better and will continue to thrive & march boldly ahead going forward from 2021."

COVID and its immediate impact

The latest report from IDC offers an industry-level assessment of how coronavirus (COVID-19) will affect IT spending in 2020

According to the International Data Corporation (IDC) report "Worldwide ICT Spending Guide: Industry and Company Size, IT spending globally is set to decline 2.7% owing to the economic impact of the COVID-19 pandemic. Almost all industries will be affected by the global slowdown, while a few will reduce their IT spending more than others.

The healthcare and telecommunications segments are expected to increase IT spending as they respond to new demands generated by the coronavirus pandemic. The Overall spending is expected to witness more than a 5% fall in the hospitality and tourism industries, including transportation and personal and consumer services. In 2020, discrete and process manufacturing will face significant risks due to which the spending is expected to fall by more than 3%.

As per the report, industries that have been affected the most due to the pandemic will have to reduce their workforce and invest less in technology, as compared to those that we're able to somewhat sustain their business operations in the crisis.

The report predicts that the hardware sector will see the largest decline as IT spending is predicted to fall by more than 5%. This will happen mostly because several companies will not invest in near-term infrastructure. IDC predicts that IT and business services will witness a decrease in spending as companies focus on running their existing operations and critical projects. Software spending is expected to perform better and record an increase of 2%, which will be led by purchases of collaborative applications and content workflow and management applications.

Large and very large businesses (those with more than 500, and more than 1,000 employees) represent a much larger market opportunity. However, this year both these segments are expected to see a decrease in IT spending by over 1%, representing a drop of $17 billion.

It is important for technology suppliers to re-evaluate and refocus their efforts toward the more resilient segments to mitigate risk and reduce the economic impact of exposure to the economic slowdown.

Source : IDC IT Insights, April 2020

Worldwide IT spend prediction

The verticals that are to contribute the bulk of this IT spend trends are as follows

Healthcare - According to an IT spending forecast report published by IDC health insights, the healthcare sector is to grow to with a steady CAGR growth of a little over a 5%. Silvia Piai, EMEA research manager at the recent IDC Future Scape Webcast: Worldwide Digital Transformation 2021 Predictions said, "Health authorities and decision makers are turning to adopt serious digital transformation for reforming healthcare systems. Integrated care initiatives and hospital modernization are two areas where digital transformation is expected to have a major impact.

Telecommunications and Professional Services– The telecom sector and the professional services are predicted to grow the highest despite the COVID posing a high threat to other industry verticals, with CAGRs predicted to clock 7.5 to 12 % in hindsight.

Retail and FMCG- The retail sector's IT spending for FY 25 will approximately amount to CAGR growth of 4%.

BFSI - The BFSI sector's IT spending will reach a five year compound annual growth rate (CAGR) of 3.5% (excluding the last year due to COVID, which just saw a decrease)

Education - The education sector's IT spending for FY 25 will approximately worldwide with a CAGR of 2.3%.

SAP's Digital Transformation

With SAP's strategic outlook now undergoing a humungous transformation in keeping pace with the revolutionary technological changes coined as the "Digital Disruptors" in previous sections along with the COVID outburst effects outlined above.

SAP is now solving the existing digital complexity of enterprises globally, with the incorporation of transformation models involving in-depth comprehension of the Digital universe (enterprises vigorously moving to the cloud scenarios) and its working principles.

SAP had precisely this in mind when they launched S/4HANA - SAP's next-generation business suite in 2014, tailored specifically to cater to the demands of digital transformation. It was SAP's prerogative to drastically diminish the complexity and bring it down to a minimal amount with S/4HANA by paradigm simplification at all levels.

"Being strongly sensible to the Cloud taking the world by storm, SAP then fostered, now fostering and forever will foster only a Cloud-first strategy to all enterprises globally"

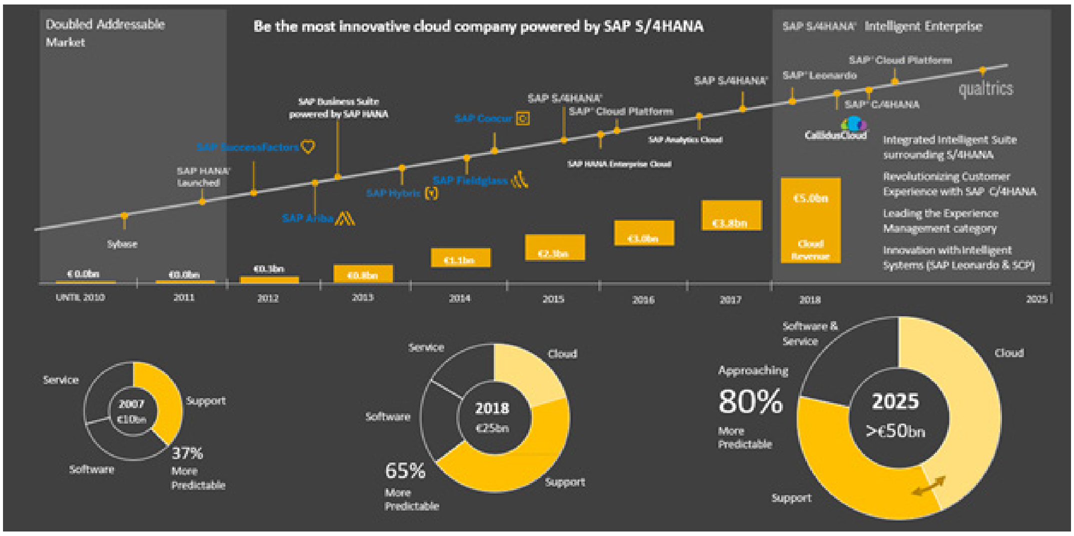
The S/4HANA Cloud editions has been constructed based on what SAP believes is the foundation of future development - strategic functional capabilities. If a customer wants traditional capabilities such as ERP, HCM, SRM and CRM functionalities in the public cloud, SAP offers the S/4HANA cloud edition together with "cherry on the top" edge and beyond edge cloud solutions like SuccessFactors, Ariba and SAP Cloud for Customer, SAP Cloud Platform services such as iRPA, Conversational AI and Learnado .

SAP releases updates on a quarterly basis, called "quarterly innovations" . Extensive simplifications of the ERP landscape is underway and these are rolled out as part of the quarterly innovation cycle. During this deployment process, the updates are first delivered to the S/4HANA Cloud edition. Later, these developments are made available to S/4HANA On-Premise Edition customers on a nine-to 12-month.

Several areas of ERP core functionality outside financials (such as SD, MM, PLM and PP) have already been simplified in the S/4HANA Cloud edition as part of its quarterly release cycle. Such incentivizing clearly points to a stratagem prioritizing Cloud over on premise in SAP's scheme of things.

SAP's CEO, Bill McDermott once said after the S/4HANA launch immediately that, "Our digital approach is built on two critical elements - our SAP Cloud portfolio and the SAP HANA platform. And our strategy to become THE cloud company powered by SAP HANA refers not just to our own transformation but that of our customers - and their customers", conclusively affirming that the Cloud occupies a place of honor in SAP's bouquet of offerings.

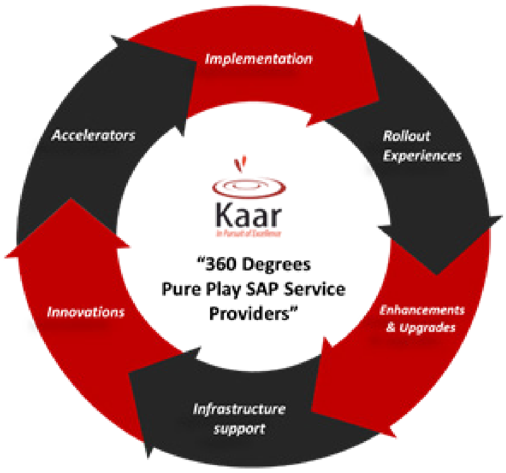
Assuming a stable exchange rate environment post this COVID, SAP now expects Cloud subscriptions and support revenue to clock >80% of the total revenue in 2025 (>55 Billion USD) from the existing range of 65 to 70% percent of the current total revenue (32.5 Billion USD).



SAP will continue to expect its rapidly growing cloud subscriptions and support revenue and these aspects of both IT digital transformation & Cloud Juggernauts now constitute the heart of SAP's future strategy for the next 5 to 7 years.

"Kaar Tech Riding the S/4HANA Move and the Cloud Market Wave with the right growth accelerators and differentiators"

Kaar Tech already riding this disruptive opportunity will become a strong force to reckon with in Western markets and already being an SAP preferred partner in GCC (Market share of 20%) having proven itself over the many years in the past on the S/4HANA and SAP Cloud Platform (SCP) front with the existing revenue contribution of 43 to 45% of the revenue coming from these implementations.



- One of the Largest Pure-Play SAP service providers in GCC
- Extensive investments and efforts - Expansion in Western and APAC Markets
- Over 13+ Years of Experience in SAP – Technical Acumen
- 10+ Years of continuous Quality Awards – Shows High commitment to Quality
- A Company that has Implemented every patch release of SAP S/4HANA
- Certified and Well Experienced SAP S/4HANA Consultants
- Robust PMO (Project Management Office) and Center of Excellence (COE) ensuring quality deliverables.
- CEO Office's Oversight on all S/4HANA and Beyond edge Projects
- Huge rollouts and upgradation experiences in GCC
- Ideal SAP partner for both Large and Midsized companies
- Makers of KTern- World's only end to end S/4HANA Conversion Accelerator
- Expertise in dealing with the multi zoned Support model types
- Deep Connect with SAP S/4HANA Lab in Walldorf and Bangalore in S/4HANA Cloud teams
- Rapidly growing " Big small to Small Big" consulting company
- Multiple Fortune 1000 clients with many billion dollar accounts comprising government and public sector expertise/references – 1 among the handful of notable partners in GCC
- Significant project execution experience in all the sought after verticals
- Kaar Tech is the market leader with a 15% market share in GCC
- Has resurrected projects mismanaged by Tier 1 competitors.

The recent Gartner Forecasts Worldwide for Public Cloud Revenue states that "The worldwide public cloud services market is forecast to grow 17% in 2020 to total $266.4 billion, up from $227.8 billion in 2019.

"At this point, cloud adoption is mainstream," said Sid Nag, research Vice president at Gartner. "The expectations of the outcomes associated with cloud investments therefore are also higher. Adoption of next-generation solutions are almost always 'cloud-enhanced' solutions, meaning they build on the strengths of a cloud platform to deliver digital business capabilities."

Software as a service (SaaS) will remain the largest market segment, which is forecast to grow to $500 billion by 2025 due to the scalability of subscription-based software. The second-largest market segment is cloud system infrastructure services, or infrastructure as a service (IaaS), which will reach $50 billion in 2020. IaaS is forecast to grow 24% year over year till 2025, which is the highest growth rate across all market segments. This growth is attributed to the demands of modern applications and workloads, which require infrastructure that traditional data centers cannot meet.

The KCloud IP

This paves way for our Kaar's Cloud (KCloud) becoming fully operational and presently hosting 15+ customers globally. The data center's infrastructure partners are Huawei and Equinix along with Microsoft Azure and AWS for running SAP workloads.

These combined forces with Kaar Tech to assemble a high-density apparatus that provides Managed SAP Enterprise Cloud services have fetched us laurels across the Globe.

Such renowned partners contribute a high degree of scalability and efficiency to the equipment, which makes Kaar one of the select few providers such state-of-the art Cloud technology in the Middle East and will look to establish the same in the West as well.

Besides the laaS (cloud servers) and SaaS (SAP services), Kaar Tech also offers SAP HANA platform-as a-service with a Bring-your-own-license model, thus catering an all-rolled-into-one model.

Kaar Tech has positioned its Managed Enterprise Platform as a comprehensive, wholesome solution for customers to convert their capital expenditure into operational expenditure and thereby guard against the ever-increasing uncertainty and complexity on the IT front.

Thus, the most novel aspect of the value proposition is that, Kaar Tech will now be able to offer a one-of a-kind package to businesses in the region - SaaS, laaS and its niche SAP capabilities - making it an exclusive one-stop shop for all of these disparate services.

KTERN

The KTERN IP

KTern.AI for SAP Digital Transformations

As an enterprise product suite, KTern.AI provides an automated digital workplace for SAP S/4HANA Digital transformations. The autonomous KTern.AI controls the entire digital transformation with its SAP tribal knowledge and data powered intelligence. It's remote digital workplace ensures continuity and increases productivity of businesses & projects.

KTern.AI is completely aligned with SAP Activate methodology. It is approved by SAP and listed in the SAP App Center of SAP Store. It is also an SAP Qualified Partner Packaged Solution, positioned as an accelerator of the global S/4HANA Move Program.

Automated Digital Transformation Workplace

With the automated digital workplace, KTern.AI guides the SAP customer, its partners, advisory system integrators and SAP to accomplish customer's IT roadmap towards ERP transformation and build the Intelligent Enterprise with the following capabilities:

- Automated simulation of processes and projects using 'Digital Maps'
- Automated enterprise project orchestration using 'Digital Projects'
- Automated SAP specific business testing using 'Digital Labs'
- Automated business process governance using' Digital Process'
- Automated business and management consulting using 'Digital Mines'

The digital adoption platform of KTern.AI is focused for ERP transformation with its ready-to-use automation features for project execution and business operations. Its auto-learning knowledge base engine S4HANAPEDIA enables stakeholders with its intelligent insights across all phases of SAP Activate – Discover, Prepare, Explore, Realize, Deploy, Run. The move to S/4HANA digital core is governed by KTern.AI for the following scenarios:

- System conversion
- New implementation
- Landscape consolidation
- Selective data transition

As KTern.AI orchestrates collaborative engagement, enables on-time phase closures, ensures knowledge transfer and change management of all digital transformation stakeholders from SAP customer's side, its partners, system integrators & SAP, it drives productivity for the SAP customer in its businesses and projects on a larger scale from one single digital platform.

As the SAP Activate aligned project activities and SAP Scope Item aligned process levels are empowered by KTern.AI using SAP Model Company best practices, the ERP transformation is governed and executed in a controlled, standard, transparent and centralized workplace of automation. For more details visit https://ktern.com/

1. Kaar Tech's RDX (Remote Digital Experience to customers in this COVID)

Remote Works

An extensive organization-wide feedback exercise was conducted at Kaar Tech, where team leads/managers spoke with their team members to understand the pros and cons of working from home!. We evaluated various scenarios, preferences at the work place as well as the practicality of business operations during this COVID!. Based on the feedbacks and evaluation, Remote Worx, a new workforce model that enables employees to enjoy the benefits of staying at home with the loved ones while working for their organization.

Through this model, we are aspiring to achieve a **75 percent remote workforce** and this was launched keeping in mind the welfare of the employees without compromising on the organizational objectives. We have also **<<Gone live with 4 projects post this lockdown that includes SAP S/4HANA Greenfield implementations, earth shattering Historical Data Migrations and many a first of its kind enhancements>>** with this complete offshoring model without having a single foot on the customer premises

Formation of VCEO

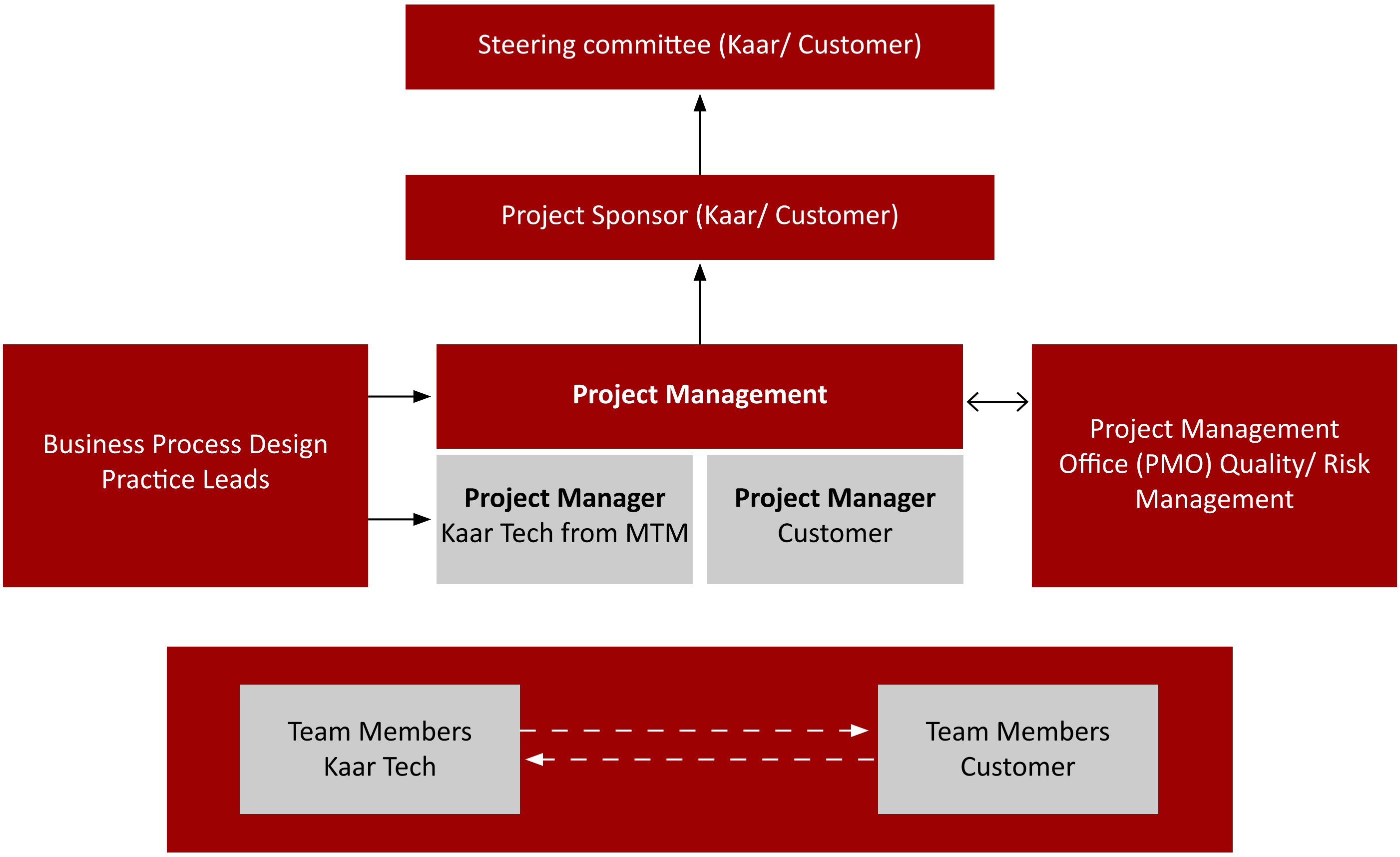
We also have in formulated in place a Virtual Centre of Excellence (COE) constituted by industry and SAP veterans with decades of experience in their respective arenas. They're world-class, award-winning solution architects who study our clients. business problems meticulously and create blueprints that are then executed by our Delivery experts wing. Kaar's erstwhile COE has been most instrumental in securing and delivering some of the largest deal sizes in the course of the preceding years, now followed with the concept of Virtual Center of Excellence (VCoE) is the formation of a virtual team of experts from various domains for the purpose of effectively supporting the sales and delivery cycles.

The erstwhile CoE from being a centralized dedicated member organization handling all technical support needs for a bid has now transformed into a distributed and inclusive function of Practice / PMO structure which further brings the delivery experiences as well as the practical expertise.

This transformational initiative of formulating the VCoE has already proven and will be essential for enabling the sales and delivery acceleration & progression which is also strategically aligned with the overall company growth strategy of Vision 2025 (100 Million and 5K employees).

2. Governance, Cadence and Project Methodologies Framework

a. Governance Models of Kaar Tech



Highlights of this structure

- Involvement of Practice Leads and Delivery Heads right from the proposal stage to the project completion stage
- Supervision of Project Management Office throughout the entire project
- Weekly governance calls and audit for risk mitigation and value realization
- Lean, agile and flexible organization without many levels of approval and the CEO (Nominee) is very much reachable
- Comprehensive trainings for the end users with the ultimate aim of keeping our customers happy.

Risk Mitigation			Value Realization		
Risk & Compliance Management	Contract Management	Financial Management	Change Management	Service Quality & Performance Management	Relationship Management

	Forums	Participants: Customer	Participants: Kaar	Frequency	Inputs	Outputs
strategic Governance	Executive Steering Committee	CTO/CIO Business & Finance Group Head Prod.Assurance Head	Executive Sponser Client Partner Delivery Head Practice Head Service Delivery Director	Quarterly	Strategic Performance Indicators, Escalated Issues, Innovation & Automation Oppertunities, Best Practices	Ffuture Strategy & Direction of Relationship & Services Issue Resolution
Management Governance	Program Management Committee	Business Management Portfolio Production Assurance Lead Third Party Manager	Relation Director Service Delivery Director Transformation Manager Program Manager Automation Program Manager	Monthly	Engagement Level Dashboard, Monthly Reports, SLA Reports, Non-Resolved Escalations, Risk Assessment, Automation Work Slate	Demand Prioritization, Issue Resolution, Change Approval, Identification of Improvement and Automation Opportunities
Operational Governance	Team Management Committee	Program Manager(s) Production Assurance Manager	Program Manager Servive Delivery Manager Transition Manager Shift Manager Automation Leads Service Personal	Weekly	Weekly performances, SLA Report Performance Issues, Non-Core demand requests	Volume Management, Fulfilment, Review SLAs, Imrovement Opportunities

Modes of Communication

In Person Meetings	Video Conference	Emails	Phone	Governance Tools	WebEx/ Livelink

Kaar Tech's 3-Tier Governance Model

Kaar recognizes the importance of effective governance and proposes the following governance model to ensure success of the engagement. Engagement with CLIENT will be governed at 4 levels as follows and the same is depicted in the following diagram;

- Strategic Committee
- Tactical Level
- Project Management Level
- Delivery Level

Customer			Kaar
• Set Directives • Investment and Budget • Internal Steering Committee	Steering Committee (Customer and Kaar)		• Set Engagement Directives • Steering Committee Reviews
• Define Partnership Roadmap • SOW Sign Off • Escalation	Executive Sponsor Project Manager	PMO & Country Head Regional Head	• SOW Fulfilment • Project Infra • Resource Ramp Plan • Communication Matrix
• SLA Review • Operations Review • Monthly / Weekly / Conference Control	Process Owner Business / Technical Leads	Project Manager Project Consultants	• Sow Initiation • Resources Fulfillment • Training Plan Execution • SLA Reporting / Dashboards
• Tickets Response and • Detailed Operations Review • Project Oversight • Test Checks	End Users	Kaar Team	• Services Delivery • Services Line Management and Reporting • People / Competency

Above models will be refined and chosen based on mutual discussions and agreement with the customer)

A dedicated project Manager will be on boarded from the commencement who will be leading the project as well as will be focal point of contact for the complete project deliverables.

The project agenda will be guided at the highest level by a steering committee consisting of top management representatives from CLIENT and Kaar. It will also have a representative from the Kaar Account Management team setup specifically for this engagement.

Kaar Tech will position a dedicated Engagement Manager who would be the single point of contact for the relationship and operation. This is to ensure the effective kick off of the engagement, effective management of expectations and ensure smooth operations.

The Onsite Project Manager would be responsible to create the detailed Project Plan with close consultation with CLIENT's Project Manager / Owner. The Plans would cover all aspects of the project including identifying stakeholders, communication & escalation processes, Detailed Transition Plan with Dependencies & assumptions & Milestones.

The Onsite Project Manager will support in the actual Project Execution & Delivery, ensuring the project continues to function smoothly and delivery & milestones are reached on schedule. Also, Issue Resolution & Relationship Management would remain the key responsibilities of the Onsite Project Manager.

During the entire engagement, Kaar Tech will have a Regional Head who is based offshore/onsite, aligned with the project. He would be visiting the CLIENT office on regular intervals and on need basis.

Besides, Kaar Quality team would help in continuous process improvement which would ensure quality deliverables

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Communication Mechanism

Communication will be carried out between the CLIENT and Kaar Tech through the following means:

- Status reporting
- Progress reviews
- Issue resolution
- Project communication

Kaar focuses on building strong transparent communication channels. Joint regular steering meetings ensure overall engagement focus while effectively resolving issues & problems on the way.

Listed is the escalation mechanism that will be implemented for CLIENT Engagement;

Sl .No	Report Name	Frequency	Purpose
1.	Status reports	Weekly	For recording/tracking the status of project activities with respect to the project plan
2.	Utilization report	Weekly	To track the resource loading and balancing
3.	Issue Logs	Weekly	Better Issue tracking and quicker resolution
4.	Billing reports and Invoice	Monthly	For accurate and transparent invoices
5.	Operations Review presentation	Monthly	Monthly Status reporting
6.	Steering committee presentation	Bi-Monthly	Bi-Monthly status reporting of the project along with the issues faced, process improvement activities, resources etc.

Escalation Mechanism

We have a well-defined organizational structure and work with a well-defined framework and project structure comprising of a steering committee and account management to take care of any issues and escalations.

Listed is the escalation mechanism that will be implemented for CLIENT Engagement;

First Level	Project Manager
	Provides a single point of contact for day-to-day operational issues in a project
	Resolves immediately any operational issues reported and keeps Delivery/ Relationship Managers updated

Second Level	Country/P&L Head
	Provide support to the project team throughout all project phases
	Resolve escalated issues or commit other resources for issue resolution
Final Level	**Steering Committee**
	In the event of an issue being escalated to this level, the same is jointly addressed on a high priority basis by the senior management of both parties and resolved in mutual interest

PCOE Certified Support

SAP® PCoE Certified

Kaar Tech is a PCOE certified company and is committed to implement and promote Run SAP in all its Enterprise support projects. This SAP certification is further proof of Kaar's tireless dedication to providing industry-leading SAP expertise and support to organizations across a wide range of industries.

In this hyper competitive environment, there are many SAP implementation firms who claim to offer the best SAP Implementation and support services but often customers face difficulties in terms of time and investment they make on such firms and their decision will affect the long-term goals of the company. So it's imperative for firms to look for SAP vendors who are recognized by SAP AG. SAP PCOE certified firms are those with the ability to consistently deliver outstanding customer service and reliable support excellence for all SAP software solutions, SAP awards Partner Center of Excellence (PCOE) certification to only the most qualified implementation and support partners.

In order to attain SAP certification as a Partner Center of Expertise, a firm must enroll its employees in a comprehensive program that ensures their proficiency using SAP Solution Manager to provide a high standard of support services to its SAP customers. The Partner Center of Expertise certification is a support center certification offered by the SAP Active Global Support organization, supported by SAP's Partner Services Delivery team. It covers a channel partner's entire support center, including support staff, support processes and infrastructure.

This certification provides organizations in search of an SAP partner with the assurance the firm they choose goes beyond technical expertise to include real-world professional experience in SAP service and support. Furthermore, to ensure that this reliable level of quality service and expertise is maintained on an ongoing basis, SAP requires PCOE partner firms to renew this critical SAP certification every two years.

Kaar Practice Team structure

Kaar Tech's set-up SAP Practice Team for various horizontals with highly experienced (15+ years) SAP professionals who have/had handled several implementation and support projects. Kaar Practice Team acts as the Advisory for the entire delivery team to provide necessary solution consulting, attend to critical issues, define road-maps for customers, advise on specialized areas.

The Project Management Office (PMO)

There are several services provided by PMO depending on the needs of an organization and the vision of the PMO sponsor. In general, the PMO is responsible for deploying a consistent project management methodology within the organization, including processes, templates and best practices. The common processes and practices adopted by PMO allow projects to be completed better, faster and cheaper.

Kaar Tech's PMO – Activities and Governance

Kaar PMO shall perform the following activities for this project:

Identifying key stakeholders: PMO shall get buy in from all stakeholders in the project. Any ambiguity in understanding will be sorted out well prior to the business blueprint (Explore) phase of the project. PMO will send a report to all stakeholders to all stakeholders are on same page and aware of ongoing issues in the project. Also, PMO will organize monthly meeting to discuss about outstanding issues.

Building the team: After assessing each individual on the technical capabilities, PMO will assemble a high performing and skilled team to deliver the project.

Project Charter: PMO will get involved in preparation of Project Charter which will have scope definition, technical implementation strategy, assumptions and deliverables charted out with a resource strategy.

Project Plan (L1 and L2): A project plan outlining the implementation, activities, critical path and task relationships will be charted out with resource requirements.

Work Breakdown structure (WBS): A detailed WBS to help identify tasks individually, time required for each task, resources required will be developed.

Communication Plan: The communication plan will include agenda with clear details of key participants and action items to be covered.

QM Plan: A QM plan encompassing quality metrics to measure throughout the project to ensure high quality deliverables will be developed.

Delivery Metrics: In order to measure performance in terms of cost, schedule and quality, Delivery Metrics will be developed.

PMO - Value Proposition

This value proposition includes the responsibilities and services that Kaar PMO would perform. Kaar PMO will -

Establish and deploy a common set of project management processes and templates. These reusable PM components will help projects start-up more quickly and with much less effort.

Build the methodology and update it as needed to account for improvements and best practices. For instance, as new or revised processes and templates are made available, the PMO will deploy them consistently to the organization.

Facilitate improved project team communications by having common processes, deliverables, and terminology. There will help reduce misunderstanding and confusion within the organization.

Provide training (internal or outsourced) to build core project management competencies and a common set of experiences. If the training is delivered by the PMO, there is a further reduction in overall training costs paid to outside vendors.

Deliver project management coaching services to keep projects from getting into trouble. Projects at risk can also be coached to ensure that they do not get any worse.

Track basic information on the current status of all projects in the organization, and provides project visibility to management in a common and consistent manner.

Track organization-wide metrics on the state of project management, project delivery and the value being provided to the business. The PMO also assesses the general project delivery environment on an ongoing basis to determine the improvements that have been made over time.

Act as the overall advocate for project management to the organization. This includes proactively educating and selling managers and team members on the value gained through the use of consistent project management processes.

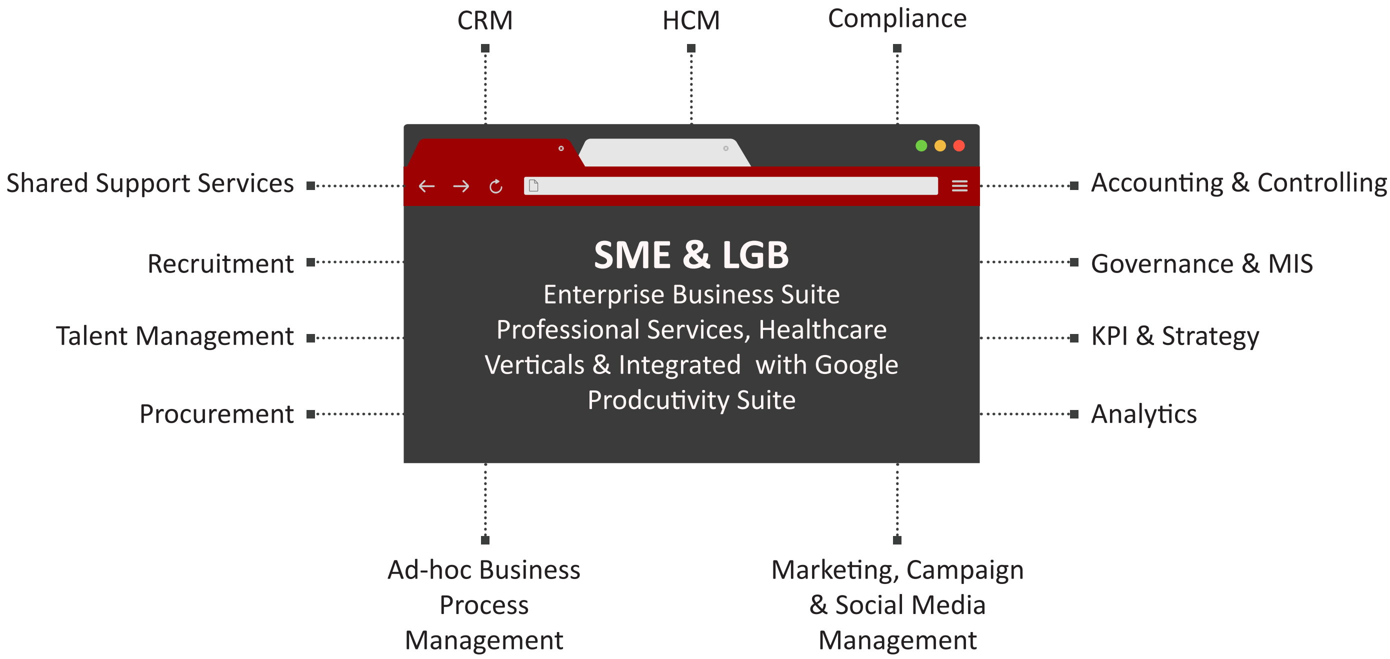
"SAP F-Activate" Project Methodology of Kaar Tech

The unique value proposition of Kaar Tech would definitely be our delivery capability. Having taken cognizance of the various industries successes in deploying agile methodology, it got us thinking of implementing agile for process automation projects of SAP as well.

Impeccable as their operational capabilities are, even the IT behemoths tend to fail when it comes to delivery and realization of ROI.

Kaar Tech is able to implement the agile methodology for clients, owing to our domain capability pertaining to each customer. We walk the last mile with the customer taking into account that our solutions provide a business enabling platform, as opposed to a technical platform which is the popular industry assumption.

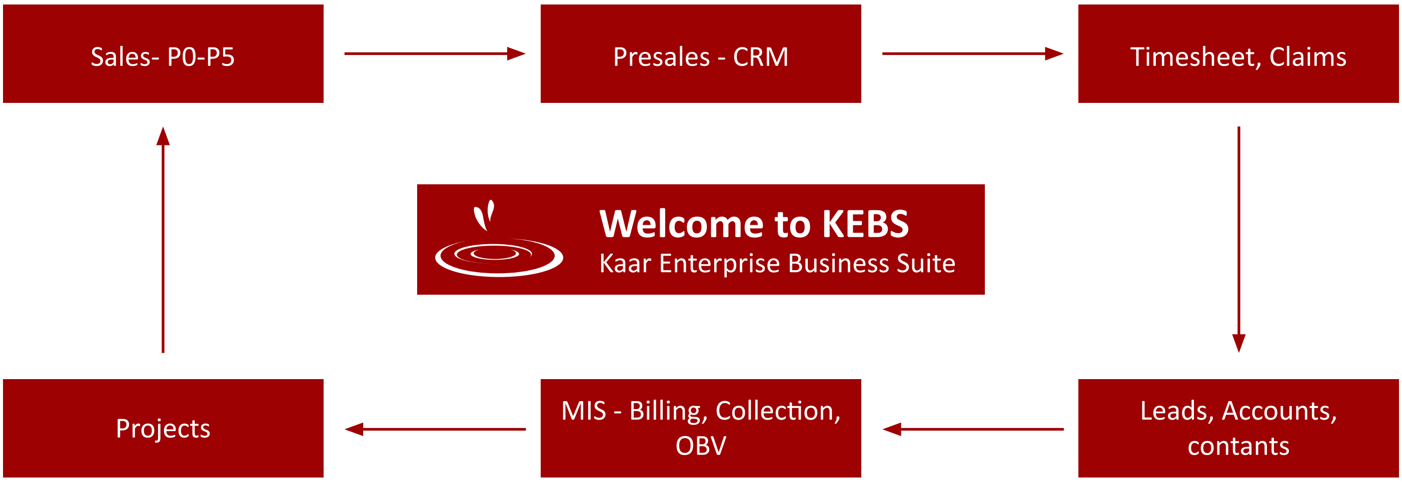
KEBS (Kaar Enterprise Business Suite) – 360 Degree Governance



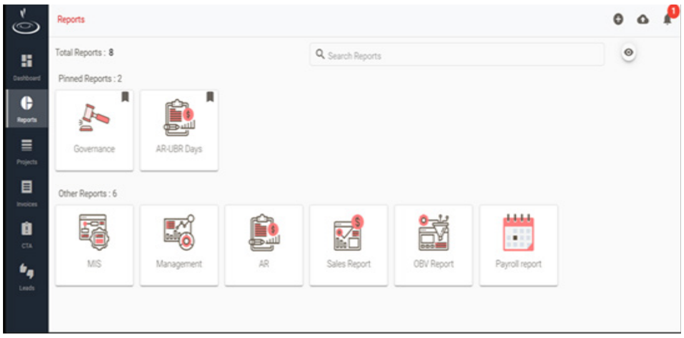
Indigenously built and currently used in Kaar Tech as an Internal ERP, KEBS is an aspirational vision of the Nominee, once is complete in terms of its functionality will arrive to the market as a complete suite on box for SMEs and Lower general business segments in the SaaS ecosystem

It currently is the central nervous system in terms of Financials, HR, Procurement & Logistics, Business Analytics, Governance & Cadences of Projects, Collections, Legal issues, Profitability, Approval Mechanisms, Employee Central inside Kaar Tech

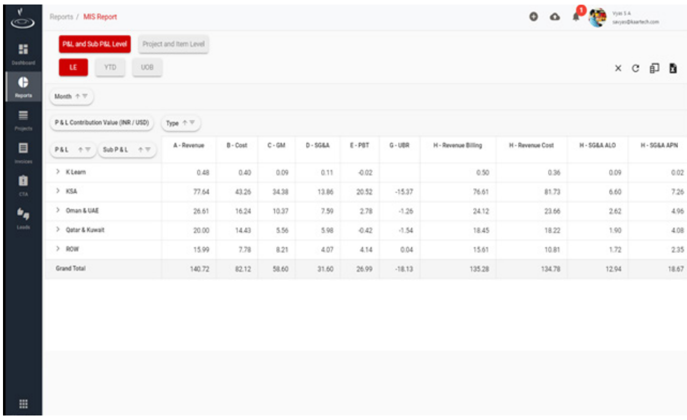
Some of the Sample Screenshots captured directly from the application are shown below



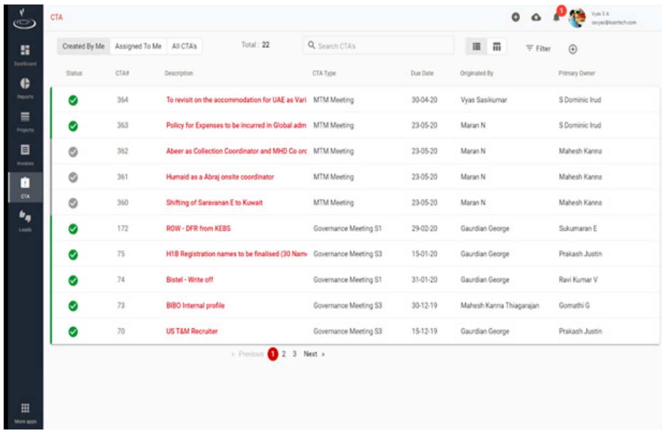
Reports Screenshot and Dashboard Screenshots



MIS Reports – P&L Level, Project Level, LE, YTD, UOB



CTAs and Approval Mechanism – Sample Screenshot



4. Our People is our strength!

The current attrition rate of Kaar is well below the industry standards of 8 to 9%. We believe that attrition is high only when employees' problems are not addressed. We make sure this is done through various HR initiatives like the GPTW and SNAP survey for which our most recent score was almost to the industry standards.

Individual attention is always given to those employees who had expressed their grievances. In this way, employees nurture a personal connection to their roles and the contribution they make towards Kaar's vision.

With the vision of becoming a 5K employees by 2025, and S/4HANA Certified FTEs number almost to clock an astonishing 3000, Kaar Tech is confidently treading in the path of the true digital transformation which covers the essence of cultural transformation by all means!

Kaar Tech is now hiring recruits and attracting talents all over the country with around a never seen before 350+ additional employees for this financial year (Despite this pandemic) which will also multiply many folds in the coming years symbolizing the market wave for S/4HANA FTE requirements and Kaar tech leveraging it to the maximum to ride through this disruptive opportunity.

We will put them through intense training programs with personalized schedules along with a provision of a clear year on year career roadmap for every Graduate trainee filled with internal & external certifications thereby creating Full Stack Techno-Functional SAP Experts

Standalone Financial Statements

Kaar Technologies India Private Limited Balance Sheet as at March 31, 2021 (All amounts are in INR Lakhs, unless otherwise stated)

	Notes	“ As at March 31, 2021	“ As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	830.35	764.89
Intangible assets	4	689.13	830.26
Right of use assets	4	275.83	449.66
Financial assets			
Investments	5	3,868.02	3,756.61
Loans	6	160.34	175.34
Other financial assets	7	383.29	1,346.96
Deferred tax assets (Net)	8	350.90	320.53
Total non-current assets		**6,557.86**	**7,644.25**
Current assets			
Financial assets			
Trade receivables	9	6,458.45	3,331.12
Cash and cash equivalents	10	487.38	831.06
Bank balances other than above	11	1,007.23	12.83
Loans	12	175.00	175.00
Other financial assets	13	2,733.39	5,454.21
Current tax assets (net)	14	-	60.87
Other current assets	15	453.69	567.79
Total current assets		**11,315.14**	**10,432.88**
Total assets		**17,873.00**	**18,077.13**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	49.41	43.93
Other equity	17	10,241.05	8,247.84
Total Equity		**10,290.46**	**8,291.77**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	524.90	1 125.30
Other financial liabilities	19	-	577.87
Provisions	20	617.46	470.00
Other non-current liability	21	91.58	-
Total non-current Liabilities		**1,233.94**	**1,173.17**
Current liabilities			
Financial liabilities			
Borrowings	22	3,826.62	4,208.89
Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		3.59	5.03
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		864.62	807.16
Other financial liabilities	24	227.27	607.49
Provisions	25	81.18	80.35
Current tax liabilities (net)	26	4.05	-
Other current liabilities	27	1,341.27	2,903.27
Total current liabilities		**6,348.60**	**8,612.19**
Total liabilities		**7,582.54**	**9,785.36**
Total equity and liabilities		**17,873.00**	**18,077.13**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately

Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

	Notes	" For the year ended March 31, 2021"	" For the year ended March 31, 2020 "
Continuing Operations			
A Income			
Revenue from operations	28	14,734.23	12,855.44
Other income	29	393.37	474.62
Total income		**15,127.60**	**13,330.06**
B Expenses			
Operating expenses	30	2,202.83	648.98
Employee benefits expense	31	7,966.64	7,225.02
Finance costs	32	414.90	499.17
Depreciation and amortisation expense	33	475.06	362.35
Other expenses	34	1,925.24	2,791.53
Total expenses		**12,984.67**	**11,527.05**
C Profit before tax from continuing operations		**2,142.93**	**1,803.01**
Income tax expense	35		
Current tax		465.79	363.75
Deferred tax charge / (benefit)		(12.37)	187.03
Profit for the year		**1,689.51**	**1,252.23**
D Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employee benefit expenses		(61.15)	19.13
Income tax relating to these items		18.00	(5.57)
Other comprehensive income for the year, net of tax		**(43.15)**	**13.56**
Total comprehensive income for the year		**1,646.36**	**1,265.79**
Earnings per share	36		
Basic earnings per share		34.72	25.32
Diluted earnings per share		33.36	24.34

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
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CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately

Place : Chennai
Date :

For and on behalf of the board of directors of
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V. CHANDRASEKARAN
Chief Financial Officer

Kaar Technologies India Private Limited Balance Sheet as at March 31, 2021 (All amounts are in INR Lakhs, unless otherwise stated)

Kaar Technologies India Private Limited Balance Sheet as at March 31, 2021 (All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash Flow From Operating Activities		
Profit before income tax	2,142.93	1,803.01
Adjustments for		
Depreciation and amortisation expense	475.06	362.35
Loss on sale of assets	-	0.77
Finance costs	414.90	499.17
Interest income	(83.43)	(70.70)
Fair value changes of investments	(93.31)	(173.24)
Bad debts and other write off	14.54	90.36
MTM gains on interest rate swap	-	(20.77)
	2,870.69	**2,490.95**
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	((3,127.33)	354.01
(Increase)/decrease in other financial assets	3,684.04	(1,263.66)
(Increase)/decrease in other current assets	114.10	(211.91)
Increase/(decrease) in trade payables	56.02	(208.25)
Increase/(decrease) in provisions and other liabilities	(1,777.13)	(20.58)
Cash generated from operations	1,820.39	1,140.56
Less: Income taxes paid	411.58	350.47
Net cash from operating activities (A)	**1,408.81**	**790.09**
Cash Flows From Investing Activities		
Purchase of property plant and equipment (PPE)	(196.65)	(1.97)
Sale proceeds of PPE	-	0.30
Net impact of business combination	-	(170.38)
Investments made during the year	(18.10)	-
(Investments in)/ Maturity of fixed deposits with banks (Net)	(994.40)	67.65
Interest received	83.43	70.70
Net cash used in investing activities (B)	**(1,125.72)**	**(33.70)**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings (net)	21.93	406.49
Proceeds from/ (repayment of) short term borrowings (net)	(382.27)	(129.29)
Payments made against lease liability	(242.78)	(129.60)
Interest paid (net)	(375.98)	(467.24)
Payment of interim dividends	(150.02)	-
Proceeds from share issued (including share premium)	502.35	-
Buy Back of Shares	-	(51.24)
Net cash from/ (used in) financing activities (C)	**(626.77)**	**(370.88)**
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	**(343.68)**	**385.51**
Cash and cash equivalents at the beginning of the financial year	831.06	445.55
Cash and cash equivalents at end of the year	**487.38**	**831.06**

The accompanying notes form an integral part of the financial statements

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	487.38	831.06
Total	**487.38**	**831.06**

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately
Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

Kaar Technologies India Private Limited Balance Sheet as at March 31, 2021 (All amounts are in INR Lakhs, unless otherwise stated)

(A) Equity Share Capital

Balance as at April 1, 2019	**51.19**
Changes in equity share capital during the year	-
Buy Back of equity shares	(6.41)
Reduction of share capital due to merger	(0.85)
Balance as at March 31, 2020	**43.93**
Additions during the period	5.48
Balance as at March 31, 2021	**49.41**

(B) Other equity

Particulars	Securities premium	Capital Redemption Reserve	Optionally Convertible Preference Share Capital (Equity portion)	General Reserve	Share options outstanding	Other comprehensive income	"Retained Earnings"	Total
Balance as at April 1, 2019	**176.64**	**-**	-	**12.00**	**31.41**	-	**6,977.21**	**7,197.26**
Income for the year	-	-	-	-	-	(13.56)	1,252.23	1,238.67
Additions/ (deductions) during the year	(51.24)	6.41	-	(3.02)	-	13.56	(153.80)	(188.09)
Balance as at March 31, 2020	**125.40**	**6.41**	-	**8.98**	**31.41**	-	**8,075.64**	**8,247.84**
Income for the year	-	-	-	-	-	(43.15)	1,689.51	1,646.36
Dividend paid	-	-	-	-	-	-	(150.02)	(150.02)
Additions/ (deductions) during the year	494.88	-	1.99	-	-	43.15	(43.15)	496.87
Balance as at March 31, 2021	**620.28**	**6.41**	**1.99**	**8.98**	**31.41**	-	**9,571.98**	**10,241.05**

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately
Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

1 Corporate Information

KAAR Technologies India Private Limited ("KT India" or "the Company") is a company limited by shares incorporated and domiciled in India. The Company is engaged in development and implementation of software and providing hardware solutions.

Pursuant to a scheme of amalgamation approved by the Hon'ble NCLT vide its order dated June 8, 2020 with the appointed date of July 1, 2019, the holding company Kaar Solutions India Private Limited has been merged with the Company.

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), 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, as amended from time to time.

Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a) Derivative financial instruments

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).

The financial statements are approved for issue by the Company's board of directors on ."

2A Critical accounting estimates and management judgments

"In application of the accounting policies, which are described in note 3, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management's judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined benefit plans and Other long term benefits

"The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Amendments to Schedule III to the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting perio
- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used
- Specific disclosure under 'Additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

Standards notified but not effective as on March 31, 2021

On June 18, 2021, Ministry of Corporate Affairs has notified the following amendments in the Indian Accounting standards with effect from the aforementioned date which are as follows :

- **Amendment in Ind AS 8: Accounting policies, changes in accounting estimates and errors**

In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word "Framework" with the "Conceptual Framework of Financial Reporting to Ind AS" respective changes have been made in the standard

- **Amendment in Ind AS 103 - Business combination**

The amendment substitutes the definition of assets and liabilities in accordance with the definition given in the framework for the preparation and presentation of the financial statements in accordance with the Ind AS for qualifying the recognition criteria as per acquisition method

- **Amendment in Ind AS 104 - Insurance contracts**

The amendment covers the insertion of certain paragraphs in the standard in order to maitain the consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform

- **Amendment in Ind AS 107 - Financial Instruments: Recognition, Measurement and Disclosure**

"The amendment clarifies the certain disclosures to be made on account of Interst Rate Benchmark Reform like: i) The nature and extent of risks to which the entity is exposed arising from financial instruments subject to Interest Rate Benchmark Reform;"

ii) The entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition

- **Amendment in Ind AS 111 - Joint arrangements**

In order to maintain consistency with the amendments in Ind AS 103, respective changes have been made in Ind AS 111.

- **Amendment in Ind AS 114 - Regulatory Deferral Accounts**

The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement and impairment & derecognition of regulatory deferral account balances if the changes makes the financial statements more relevant to the economic decision-making needs of users and no less reliable

- **Amendment in Ind AS 116 - Leases**

Extend the benefits of Covid-19 related rent concessions that were introduced last year (which allowed lessess to recognise covid-19 related rent concessions as income rather than as lease modification) from June 30, 2021 to June 30, 2022

The Company is in the process of evaluating the impact, if any, on the financial statements on go forward basis.

3 Significant Accounting Policies

a) 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:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle:

ii)Held primarily for the purpose of trading:

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle:

ii) It is held primarily for the purpose of trading:

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectlyobservable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non-recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of services

Revenue is measured based on the consideration specified in a contract with a customer net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer either at a point of time or over a period of time, depending upon the terms and conditions of the contract with the customers. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Company derives revenue primarily from IT services comprising sale of licenses, software development services, support services and maintenance services both under time and material contracts and fixed-price contracts.

"Revenue related to sale of licenses are recognised when the customer obtains control on the license as per terms of the contract.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised over a period of time based on the percentage of completion method, under which the sale value of performance obligation, including earnings thereon, is recognised on the basis of percentage that each contract's cost or efforts. Unbilled revenues represent revenue recognised in relation to efforts incurred on service contracts not billed as of year-end.

Revenue related to fixed-price contracts that provide solely for application maintenance services and support services are recognised on a straight-line basis or as services are rendered or transactions processed in accordance with contractual terms.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in the period in which the circumstances that give rise to the revision become known by the management.

Unearned revenue represents revenues for service contracts which are billed as of the year-end, for which some more efforts are to be incurred, as per the service contracts.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment

Presentation

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

"Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment and past trends differ from those provided in Schedule II of the Companies Act, 2013, which in the opinion of the management, ensures a relevant and reliable presentation of the financial statements."

Assets Category	Estimated useful life (in years)
Leasehold improvements	Lower of lease period and useful life of leased asset
Computer and data processing unit	3 - 6

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangible asset are measured on initial recognition at cost. The cost comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Useful life and amortisation of intangible assets

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.

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.

g) Financial Instruments

Financial assets

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments (other than equity instruments) at amortised cost

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instruments (other than equity instruments) at FVTOCI

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments (other than equity instruments) at FVTPL

The Company classifies all other financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees and related parties, deposits, interest receivable and other advances recoverable in cash
FVTPL	Other investments in equity instruments, forward exchange contracts. (to the extent not designated as hedging instrument)

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss, net of lien available on securities held against the receivables. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	"Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	"When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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

h) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The results and financial position of a foreign operation are translated into a presentation currency so that the foreign operation can be included in the financial statements of the reporting entity by consolidation or the equity method. The company followed consolidation method.

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

j) Taxes

Current income tax

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 items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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 OCI 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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

l) Leases

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 16, Property, Plant and equipment.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

m) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset 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.

n) Share based payments

Equity-settled transactions

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation

That cost is recognised, together with a corresponding increase in Employee Stock Option Plan (ESOP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

Contingent liability

A 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 is not recognized because it is 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 recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

p) Cash and cash equivalents

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of cash flow statement.

r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity hareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 Property, plant and equipment

	Tangible Assets							Intangible Assets			
Particulars	**Leasehold Improvements**	**Furniture and Fixtures**	**Office Equipment**	**Computers and servers**	**Vehicles**	**Others**	**Total**	**Software licenses**	**Other developed software**	**Total**	**Right of use assets**
Cost as at April 1, 2019	**392.62**	**8.11**	**39.37**	**722.01**	**85.77**	**0.96**	**1,248.84**	**17.72**	**1,090.10**	**1,107.82**	-
Additions	-	-	1.02	0.95	-	-	1.97	-	154.28	154.28	563.77
Disposals	-	-	-	(2.62)	-	-	(1.07)	-	-	-	-
Cost as at March 31, 2020	**392.62**	**8.11**	**40.39**	**721.89**	**85.77**	**0.96**	**1,249.74**	**17.72**	**1,244.38**	**1,262.10**	**563.77**
Additions	-	-	**1.45**	195.20	-	-	196.65	-	-	-	28.91
Impairment											
Disposals	-	-	-	-	-	-	-	-	-	-	
Cost as at March 31, 2021	**392.62**	**8.11**	**41.84**	**917.09**	**85.77**	**0.96**	**1,446.39**	**17.72**	**1,244.38**	**1,262.10**	**592.68**
Depreciation/ Amortisation											
As at April 1, 2019	**78.52**	**3.87**	**25.51**	**217.71**	**51.35**	**0.96**	**377.92**	**16.74**	**273.79**	**290.53**	-
Charge for the period	20.86	**0.86**	5.92	67.44	11.85	-	106.93	0.47	140.84	141.31	114.11
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**99.38**	**4.73**	**31.43**	**285.15**	**63.20**	**0.96**	**484.85**	**17.21**	**414.63**	431.84	114.11
Charge for the period	20.86	**0.87**	4.59	**94.32**	10.55	-	131.19	0.23	140.90	141.13	202.74
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**120.24**	**5.60**	**36.02**	**379.47**	**73.75**	**0.96**	**616.04**	**17.44**	**555.53**	**572.97**	**316.85**
Net Block											
As at March 31, 2019	**314.10**	**4.24**	**13.86**	**504.30**	**34.42**	-	**870.92**	**0.98**	**816.31**	**817.29**	-
As at March 31, 2020	**293.24**	**3.38**	**8.96**	**436.74**	**22.57**	-	**764.89**	**0.51**	**829.75**	**830.26**	**449.66**
As at March 31, 2021	**272.38**	**2.51**	**5.82**	**537.62**	**12.02**	-	**830.35**	**0.28**	**688.85**	**689.13**	**275.83**

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		“ As at March 31, 2021 “	“ As at March 31, 2020 “
5	**Financial assets**		
	Non-current investments		
	Investments measured at FVTPL		
	(a) Investment in equity instruments (fully paid-up) of subsidiary companies		
	Unquoted		
	98 (Previous year: 98) equity shares of QAR 1,000 KAAR Technologies Qatar W.L.L	219.70	210.02
	2000 (Previous year: 2000) Equity shares of QAR 100 KAAR Technologies LLCQatar	-	-
	10,000 (Previous year: 10,000) equity shares of USD 1 each of KAAR Technologies Inc., USA	-	-
	49 (Previous year: 49) equity shares of AED 1,500 each of KAAR Technology LLC, Abudhabi	-	-
	Nil (Previous year: Nil) equity shares of USD 1 each of KAAR Technologies IT Consulting (Shanghai) Co. P Ltd	-	-
	399 (Previous year: 399) equity shares of BD 50 each of KAAR Technologies Co. W.L.L, Bahrain	-	-
	99,000 (Previous year: 99,000) equity shares of BD 50 each of KAAR Technologies LLC, Oman	1,574.95	1,537.79
	100 (Previous year: 100) equity shares of GBP 1 each of KAAR Technologies UK Limited	-	-
	50,000 (Previous year: 50,000) equity shares of DKK 1 each of KAAR Technologies Denmark APS	-	-
	30,000 (Previous year: 30,000) equity shares of NOK 1 each of KAAR Technologies Norway AS	-	-
	4,000 (Previous year: 4,000) equity shares of RM 1 each of KAAR Malaysia	1.99	1.99
	(b) Investment in equity instruments (fully paid-up) of Joint Venture Company Unquoted		
	175 (Previous year: 175) equity shares of SR 1,000 each of BaasKaar Information Technologies Company Limited, Saudi Arabia	2,053.28	2,006.81
		3,849.92	**3,756.61**
	Non-current investments		
	(c) Other investments at fair value through profit and loss		
	Unquoted*		
	3100 (Previous year: Nil) Compulsorily Convertibe Debentures of INR 100 each of NJT Network Private Limited	3.10	-
	537 (Previous year: Nil) Compulsorily Convertibe Preference Shares of INR 10 each of Joule Consulting Private Limited	15.00	-
		18.10	**-**
		3,774.71	**3,756.61**
	Aggregate cost of unquoted investments	315.27	297.17
	Aggregate amount of impairment in the value of investments	87.00	87.00

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		" As at March 31, 2021 "	" As at March 31, 2020 "
6	**Loans**		
	Unsecured		
	Considered good	160.34	175.34
	Loans to subsidiaries*	-	-
	Which have significant risk increase in credit risk	-	-
	Loans which are credit impaired	**160.34**	**175.34**
	* Loan given for supporting the overseas business		
7	**Other non-current financial assets**		
	Unsecured, considered good		
	Fixed deposits with maturity period more than 12 months *	268.91	1,003.45
	Rental deposits	114.17	105.16
	Others	0.21	238.35
		383.29	**1,346.96**
	* marked under lien with banks		
8	**Deferred tax assets (Net)**		
	Deferred tax assets		
	On difference between book balance and tax balance of fixed assets	(149.16)	(146.03)
	Provision for expected credit loss and delay in receivables	262.42	261.51
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	237.64	204.31
	Remeasurment of investments fair valued through profit and loss	-	0.74
		350.90	**320.53**
9	**Trade receivables**		
	Unsecured		-
	Trade receivables considered good	6,458.45	3,331.12
	Trade receivables which have significant risk increase in credit risk	901.18	898.03
	Trade receivables credit impaired		-
		7,359.63	**4,229.15**
	Less: Allowance for expected credit loss	(901.18)	(898.03)
		6,458.45	**3,331.12**
10	**Cash and cash equivalents ***		
	Balances with banks		
	in current accounts	473.46	831.06
	in EEFC accounts	15.00	-
		487.38	**831.06**
	* There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.		
11	**Bank balances other than cash and cash equivalents**		
	Deposits (maturing within 12 months from the reporting date) *	1,007.23	12.83
		1,007.23	**12.83**
	* marked under lien with banks		
12	**Loans**		
	Unsecured, considered good		
	Loans to subsidiaries*	175.00	175.00
		175.00	**175.00**
	* Loan given for supporting the overseas business		

		“ As at March 31, 2021 “	“ As at March 31, 2020 “
13	**Other current financial assets**		
	Unsecured, considered good		
	Debit notes receivable from related parties	1,632.46	2,679.43
	Contract assets - unbilled revenue	959.22	2,764.93
	Unamortised finance cost	24.04	9.85
	Others	117.67	-
		2,733.39	**5,454.21**
14	**Current tax assets**		
	Advance income tax (net of provision for tax)	-	60.87
		-	**60.87**
15	**Other current assets**		
	Unsecured, considered good		
	Balance with statutory authorities:		
	Goods and services tax	78.11	49.34
	GST refund receivable	-	0.66
	Service tax refund receivable	73.06	83.08
	Prepaid expenses	89.45	98.55
	Employee advances	117.13	226.15
	Advance to Vendors	8.13	59.66
	Others	87.81	50.35
		453.69	**567.79**
16	**Share Capital**		
	Authorised Share Capital		
	60,00,000 (Previous year 60,00,000) Equity shares of Re. 1 each	60.00	60.00
	3,00,000 (Previous year Nil) Preference shares of Re. 1 each	3.00	-
		63.00	**60.00**
	Issued Share Capital		
	49,40,685 (Previous year 43,92,553) Equity shares of Re. 1 each	49.41	43.93
		49.41	**43.93**
	Subscribed and fully paid up share capital		
	49,40,685 (Previous year 43,92,553) Equity shares of Re. 1 each	49.41	43.93
		49.41	**43.93**
	Notes:		
(a)	**(i) Reconciliation of number of equity shares subscribed**		
	Balance as at the beginning of the year	43,92,553	51,18,550
	Shares issued during the year	98,970	-
	Bonus shares issued during the year	4,49,162	-
	Buyback of equity shares	-	(6,40,507)
	Reduction of shares due to merger	-	(85,490)
	Balance at the end of the year	**49,40,685**	**43,92,553**

(b) During the current year the Company had issued 4,49,162 equity shares and 18,097 optionally convertible preference shares as bonus shares for other than cash.

(c) The Company has purchased Nil (Previou year : 6,40,507) number of shares during the year in the buy-back scheme as approved by the Board of Directors.

(d) There was a reduction of Nil (Previous year 85,490) number of equity shares due to merger of the holding company Kaar Solutions India Private Limited with the Company, during the year.

(e) During the previous year, the holding company, KAAR Solutions India Private Limited was merged with the Company as per the order dated June 8, 2020 of the Hon’ble National Company Law Tribunal, Chennai Bench with an effective date of July 1, 2019

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(f) Shareholders holding more than 5% of the total share capital

	March 31, 2021		March 31, 2020	
Name of the share holder	No of shares	%	No of shares	%
N Maran	13,58,280	26.43%	12,34,800	28.11%
N.Ratnakumar	9,73,862	18.95%	8,85,216	20.15%
M.Selvakumar	7,46,884	14.53%	6,79,098	15.46%
George Guardian	7,46,884	14.53%	6,79,098	15.46%
Franciscus Damen	-	-	2,23,866	5.10%

(g) Rights, preferences and restrictions in respect of equity shares issued by the Company

The company has only one class of equity shares having a par value of Re.1 each. The equity shares of the company having par value of Re.1 /- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(h) Rights, preferences and restrictions in respect of optionally convertible preference shares issued by the Company

The Optionally convertible preference shares(OCPS) having a par value of Re.1 each. OCPS will carry noncummulative dividend right. Dividend right will be 9% p.a (on the face value) which will remain fixed over the tenure of the OCPS. The OCPS will carry a preferential right vis-a-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up. The OCPS shall be non-participating in the surplus funds/ surplus assets and profits, windingup. The OCPS shall carry voting rights as prescribed under the provisions of the Companies Act 2013.

(i) Shares reserved for issue under option

Information relating to Kaar Technologies India Private Limited Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 46.

		" As at March 31, 2021 "	" As at March 31, 2020 "
17	**Other equity**		
	Securities premium	620.28	125.40
	Equity portion of optionally convertible preference shares	1.99	-
	General reserve	8.98	8.98
	Capital Redemption Reserve	6.41	6.41
	Share option outstanding account	31.41	31.41
	Other comprehensive income	-	-
	Retained earnings	9,571.98	8,075.64
		10,241.05	**8,247.84**
(i)	**Securities premium reserve**		
	Balance as at the beginning of the year	125.40	176.64
	Adjustments/ deductions during the year	494.88	(51.24)
	Balance at the end of the year	**620.28**	**125.40**

Nature and purpose of 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.

(ii)	**Equity portion of Optionally Convertible Preference shares**		
	Balance as at the beginning of the year	-	-
	Adjustments/ deductions during the year	1.99	-
	Balance at the end of the year	**1.99**	**-**

	“ As at March 31, 2021“	“ As at March 31, 2020 “
(iii) General reserve		
Balance as at the beginning of the year	8.98	12.00
Additions due to merger	-	(3.02)
Balance at the end of the year	**8.98**	**8.98**

Nature and purpose of General reserve

This is available for distribution to shareholders

(iv) Share option outstanding account		
Balance as at the beginning and end of the year	**31.41**	**31.41**

Nature and purpose of Share option outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Kaar Technologies India Private Limited stock option plan.

(v) Other comprehensive income		
Balance as at the beginning of the year	-	-
Other comprehensive income for the year	(43.15)	13.56
Adjustments/ deductions during the year	43.15	(13.56)
Balance at the end of the year	**-**	**-**

(vi) Capital Redemption Reserve		
Balance as at the beginning of the year	6.41	-
Additions during the year		6.41
Balance at the end of the year	**6.41**	**6.41**

Nature and purpose of Capital Redemption Reserve

The capital redemption reserve has been created pursuant to the Buy-back of equity shares during the year in accordance with the provisions of the Companies Act, 2013. The balance in this account may be utilised as per the Companies Act, 2013.

(vii) Retained earnings		
Balance as at the beginning of the year	8,075.64	6,977.21
Comprehensive income for the year	1,689.51	1,252.23
Transfer from Other Comprehensive Income	(43.15)	13.56
Amalgamation Adjustment for intercompany fair valuation	-	(167.36)
Interim Dividend paid	(150.02)	-
Balance at the end of the year	**9,571.98**	**8,075.64**

Nature and purpose of Retained earnings

Company’s cumulative earnings since its formation minus the dividends, capitalisation and earnings transferred to general reserves. This is available for distribution to shareholders.

18 Long term borrowings		
Secured, at amortised cost		
From Banks*		
Term loans from banks	-	244.03
Working capital term loan from banks	498.00	-
Vehicle loans	9.80	19.78
Term loans from Non Banking Finance Companies	183.60	-
	691.40	**263.81**

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		" As at March 31, 2021 "	" As at March 31, 2020 "
	Unsecured, at amortised cost		
	From Banks	25.32	144.01
	From Others	35.45	322.42
		60.77	466.43
	Less: Current liabilities of long-term debt [refer Note 24]	227.27	604.94
		524.90	**125.30**
	* Refer Note 43 for repayment terms and security details		
19	**Other non-current financial liabilities (at amortised cost)**		
	Security Deposits	-	577.87
		-	**577.87**
20	**Non-current provisions**		
	Provision for Gratuity	429.03	351.50
	Provision for Compensated absences	188.43	118.50
		617.46	**470.00**
21	**Other non-current liability**		
	Lease liability	91.58	-
		91.58	**-**
22	**Short term borrowings**		
	Secured, at amortised cost		
	From Banks		
	- Packing credit facilities	3,826.62	3,934.61
	- Term loan	-	46.16
	Unsecured, at amortised cost		
	- Loans from directors	-	228.12
		3,826.62	**4,208.89**
	* Refer Note 42 for repayment terms and security details		
23	**Trade payables***		
	Total outstanding dues of micro enterprises and small enterprises (refer note 40)	3.59	5.03
	Total outstanding dues of creditors other than micro enterprises and small enterprises	864.62	807.16
		868.21	**812.19**
	*For trade payables to related parties refer note 43		
24	**Other current financial liabilities**		
	Current maturities of non-current borrowings	227.27	604.94
	Derivatives not designed as hedges		
	Interest rate swap	-	2.55
		227.27	**607.49**
25	**Current provisions**		
	Provision for Gratuity	50.04	54.58
	Provision for Compensated Absences	31.14	25.77
		81.18	**80.35**
26	**Current tax liabilities**		
	Income tax provision (net of advance tax)	4.05	-
		4.05	**-**

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended March 31, 20201	For the year ended March 31, 2020
27	**Other current liabilities**		
	Statutory dues payable	313.89	431.50
	Contract liabilities - unearned revenue	194.73	404.10
	Employee dues payables	599.78	1,583.19
	Lease liability	200.30	466.10
	CSR Expenses payable	30.77	-
	Advance from customers	1.80	18.38
		1,341.27	**2,903.27**
28	**Revenue from operations**		
	Software services		
	Exports	14,549.50	12,660.74
	Domestic	188.10	172.98
	Export through branches	-	21.72
		14,737.60	**12,855.44**
29	**Other income**		
	Interest income from financial assets at amortised cost	83.43	70.70
	Fair value gain on investments	93.31	173.24
	Other non-operating income	143.60	15.36
	Foreign exchange gain (net)	73.03	194.55
	Mark-to-Market gain	-	20.77
		393.37	**474.62**
30	**Operating expenses**		
	Consultancy charges	1,986.10	470.90
	Data center charges	178.95	156.79
	Education and training expenses	20.82	13.70
	Recruitment expenses	16.96	7.59
		2,202.83	**648.98**
31	**Employee benefits expenses**		
	Salaries and wages	7,680.07	6,910.63
	Contribution to provident and other funds	214.77	195.57
	Staff welfare expenses	71.80	118.82
		7,966.64	**7,225.02**
32	**Finance costs**		
	Interest paid on loans	341.58	362.52
	Interest paid on others	73.32	102.58
	Applicable net gain/loss on foreign currency transactions and translation	-	34.07
		414.90	**499.17**
33	**Depreciation and amortisation expenses**		
	Depreciation on property, plant and equipment	131.19	106.93
	Amortisation of intangible assets	141.13	141.31
	Depreciation on right of use assets	202.74	114.11
		475.06	**362.35**

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		For the year ended March 31, 2021	For the year ended March 31, 2020
34	**Other expenses**		
	Rent	57.21	175.46
	Repairs and maintenance		
	- Building	62.35	69.43
	- Plant and Equipment	12.34	13.31
	Travelling expenses	622.44	1,010.06
	Website Maintenance / Development Expenses	218.71	160.79
	Communication costs	68.20	72.54
	Director Sitting Fees	20.00	20.00
	Insurance	120.54	11.63
	Audit fees (refer note 34.1 below)	32.06	22.07
	Allowance for expected credit loss	33.26	315.11
	Bad debts written off	49.38	40.74
	Net loss on foreign currency transactions and translations	-	256.62
	Power and fuel	28.08	41.23
	Rates and taxes	60.92	26.54
	Professional Charges	159.18	91.13
	Bank charges	32.15	79.55
	Subscription Fee	91.91	16.24
	Licences and Service Charges	8.55	29.87
	Printing and Stationery	6.87	14.84
	Corporate Social Resposibility expenses (refer note 34.2 below)	30.77	-
	Donations Paid	3.50	5.26
	Loss on sale of assets	-	0.77
	Miscellaneous expenses	206.82	318.34
		1,925.24	**2,791.53**
34.1	**Details of payments to auditors:**		
	Statutory audit	18.00	18.00
	Audit of consolidated financial statement	2.00	2.00
	Interim audit	10.00	-
	Certification fees	2.00	2.00
	Reimbursement of expenses	0.06	0.07
		32.06	**22.07**
34.2	**CSR expenditure**	30.77	23.55
	Amount required to be spent as per Section 135 of the Act		
	Amount spent during the year on	-	-
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above	**-**	**-**

The Company is in the process of identifying the eligible projects and the unspent money for the year ended March 31, 2021 has been provided for in accordance the guidance issued by the Institute of Chartered Accountants of India

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
35 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	465.79	363.75
Total current tax expense	**465.79**	**363.75**
Deferred tax		
Deferred tax adjustments	(12.37)	187.03
Total deferred tax expense/ (benefit)	**(12.37)**	**187.03**
Income tax expense	**453.42**	**550.78**
(b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**2,142.93**	**1,803.01**
Income tax expense calculated at 29.12% (2019-20: 29.12%)	624.02	525.04
Impact of fair valuation	(27.17)	(50.45)
Impact of SEZ profit share	(249.68)	(296.07)
Effect of expenses that are not deductible in determining taxable profit	106.25	372.26
Income tax expense	**453.42**	**550.78**
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	18.00	(5.57)
Total income tax recognised in other comprehensive income	**18.00**	**(5.57)**

d) Movement of deferred tax expense

For the year ended March 31, 2021

Particulars	Opening balance	Recognised in profit or (loss)	Recognised in OCI/ Equity	Closing balance
Deferred tax (liabilities)/ assets in relation to:				
On difference between tax base and book base of Property, plant, and equipment and Intangible Assets	(146.03)	(3.13)	-	(149.16)
Expenses allowable on payment basis under the Income Tax Act	204.31	15.33	18.00	237.64
Provision for expected credit loss and delay in receivables	261.51	0.91	-	262.42
Remeasurement of financial instruments	-	-	-	-
Others	0.74	(0.74)	-	-
Deferred tax (liabilities)/ assets - Net	**320.53**	**12.37**	**18.00**	**350.90**

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

For the year ended March 31, 2020

Particulars	Opening balance	Recognised in profit or (loss)	Recognised in OCI	Closing balance
Deferred tax (liabilities)/ assets in relation to:				
On difference between tax base and book base of Property, plant, and equipment and Intangible Assets	165.06	(311.09)	-	(146.03) -
Expenses allowable on payment basis under the Income Tax Act	168.58	41.30	(5.57)	204.31
Provision for expected credit loss and delay in receivables	179.49	82.02	-	261.51
Others	-	0.74	-	0.74 -
Deferred tax (liabilities)/ assets - Net	**513.13**	**(187.03)**	**(5.57)**	**320.53**

		For the year ended March 31, 2021	For the year ended March 31, 2020
36	**Earnings per share**		
	Basic earnings per share		
	Profit for the year attributable to owners of the Company	1,689.51	1,252.23
	Weighted average number (WAN) of ordinary shares outstanding	44,17,228	44,96,343
	Adjustment of bonus shares issued	4,49,162	4,49,162
	WAN considered for Basic EPS	**48,66,390**	**49,45,505**
	Basic earnings per share (Rs.)	34.72	25.32
	Diluted earnings per share		
	Profit for the year attributable to owners of the Company	1,689.51	1,252.23
	WAN of ordinary shares outstanding	44,17,228	44,96,343
	Adjustment of bonus shares issued	4,49,162	4,49,162
	Add: WAN of potential equity shares outstanding	1,80,601	1,80,601
	Adjustment of bonus shares issued	18,097	18,097
	WAN considered for Diluted EPS	**50,65,088**	**51,44,203**
	Diluted earnings per share (Rs.)	33.36	24.34
	Note: Since the actual conversion of employee stock options will happen only on liquidation event, the actual number of potential equity shares relating to such options could not be determined and accordingly not adjusted for diluted earnings per share.		
37	**Earnings in foreign currency**	**14,546.13**	**12,682.46**
38	**Expenditure in foreign currency**	1,831.94	2,626.99
	Employee benefit expenses	2,466.29	1,282.83
	Other expenses		
		4,298.23	**3,909.82**

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

39 Commitments and Contingent Liability

Particulars	"Year ended March 31, 2021"	"Year ended March 31, 2020"
Contingent Liability		
Outstanding guarantees and bill discounting (excluding performance guarantees)	563.26	412.59
Service tax demands	380.81	380.81
Income tax reliefs claimed in Income tax returns and are pending for completion of assessments	2,007.85	724.48
Demand against Company on normal business transactions	-	99.20
Commitments	-	-

* Show cause notices issued by the departments/ authorities are not considered for the above disclosure, as the quantum of potential contingent liability cannot be determined in the absence of specific demand notices.

40 Operating Segments

"Ind AS 108 establishes standards for reporting information about operating segments and related disclosure about services, geographical areas and major customers. The Board of Directors of the Company have been identified as the Chief Operating decision-maker (CODM). Based on the internal reporting to the CODM, the Company has identified that the Company operates only in one segment (sale of Information technology services) and accordingly there are no other reportable segments.

Since the Company also laids down consolidated financial statements, the other disclosures required in respect of operating segments are given in the consolidated financial statements"

41 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

(a) The principal amount remaining unpaid at the end of the year	**3.59**	**5.03**
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

42 Operating lease arrangements

The Company has entered into operating lease arrangements for certain premises and also for lease of certain assets. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. Since, these leases are short term in nature and the Company has availed the exemption provided in Ind AS 116 and charged the lease payments in the statement of profit and loss.

Lease payments recognised in the Statement of Profit and Loss	**57.21**	**175.46**

43 Terms of Borrowings

I Repayment terms and security details of non-current borrowings

Particulars	Maturity date	Terms of Repayment	Rate if Interest	Security
Loans from banks- Deutsche Bank	May 05, 2022	36 monthly installments	18.00%	Unsecured
Vehicle Loan - Daimler Financial Services	January 07, 2022	84 Monthly Installments	9.99% to 12.18% p.a.	Hypothecation against the respective vehicles
Loans from NBFC- Fullerton India	August 04, 2021	24 monthly installments	18.00%	Unsecured
Loans from NBFC- Capital Float	July 10, 2021	24 monthly installments	19.00%	Unsecured
Loans from NBFC- Aditya Birla Finance	May 05, 2021	24 monthly installments	19.00%	Unsecured

II Repayment terms and security details of current borrowings

Particulars	Terms of Repayment	Rate if Interest	Security
Packing Credit Facilities from IDBI Bank (USD Loan)	On Demand	MCLR(6M) Plus 270 basis points p.a.	a. pari passu charge on the current assets of the Company both present and future with other working capital lenders (RBL, CITI and IDFC Bank) b. Pari passu charge on all of the Company's movable fixed assets with other working capital lenders c. Exclusive cash collateral for IDBI Bank by way of fixed deposit INR 30 lakhs d. Exclusive cash collateral for INR 1.75 Crores e. Cash collateral to be built by way of cut back arrangement at 3% from each export realisation on monthly basis. (To be continued till asset cover reaches 0.25 times) f. Pari passu charge on the immovable properties being properties of certain directors and senior management personal of the Company, with other working capital lenders (Bank of Maharashtra) g. Unconditional and irrevocable personal guarantee of Mr. Maran, Mr.Selvakumaran, Mr.Ratnakumar, Mr.Srinivasa Subbaiah, Mr. Guardian George, Ms Chitra Nagarajan, Mr Santhosh and Mr. Chandrasekharan.
Packing Credit Facilities from Bank of Maharashtra (USD Loan)	On Demand	6M Libor Plus 300 basis points p.a.	a. Pari passu charge on entire current assets of the company both present and future under multiple banking arrangements b. Pari passu charge on the immovable properties being properties of certain directors and senior management personal of the Company, with other working capital lenders c. Personal guarantee of Mr. Maran, Mr.Selvakumaran, Mr.Ratnakumar, Mr.Srinivasa Subbaiah, Mr. Guardian George, Ms Chitra Nagarajan,Mr V Chandrasekaran and Mr Santhosh Kumar

Particulars	Terms of Repayment	Rate if Interest	Security
Guarantee Emergency Credit Line	36 months	RLLR (Y) + 100 basis subject to maximum of 9.25%	a. Extension of second charge on entire current assets of the company both present and future with other working capital lenders b. Extension of second charge on all of the company's movable fixed assets with other working capital lenders c. Extension of second charge on existing cash collateral in favour of IDBI Bank by way of FD for Rs.0.30 crores d. Extension of second charge on existing cash collaterals to be built by way of cut back arrangement at 3% from each export realization on monthly basis e. Extension of second charge on existing cash collaterals of Rs.1.75 crore f. Extension of second charge on the immovable properties with other working capital lenders

44 Related party disclosure

a) Name of related parties and nature of relationship

Holding company — Kaar Solutions India Private Limited (Till June 30, 2019)

Subsidiary companies

Kaar Technologies Qatar LLC
Kaar Technologies QFC LLC
KAAR Technologies Inc., USA
KAAR Technology LLC Abudhabi
KAAR Technologies Co W.L.L., Bahrain
KAAR Technologies LLC Oman
KAAR Technologies UK Limited
KAAR Technologies Denmark APS
KAAR Technologies SDN BHD Malaysia

Joint Venture — BaasKaar Information Technologies Company Limited, Saudi Arabia

Key management personnel and their Relatives

N. Maran	Managing Director
N. Ratnakumar	Whole-time Director
M. Selvakumaran	Whole-time Director
Guardian George	Whole-time Director
Balakrishnan	Independent Director
V. Chandrasekaran	Chief Financial Officer
Meena Guardian	Wife of Mr. Guardian George

Note: The above details of names of related party and nature of relationship has been determined by the company to the extent information is available with the company.

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b) Transactions with related parties are as follows

Transactions/ Balances	Transactions with Subsidiaries and Joint ventures		Key Management Personnel and their Relatives	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration and other benefits*	-	-	256.41	245.86
Rent paid	-	-	26.64	26.64
Sale of Services	14,546.13	12,297.09	-	-
Expenses incurred on behalf of related party***	2,466.30	993.17	-	-

** Amount attributed to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

***The amount represents net balance of expenses incurred on behalf of the company, expenses incurred by the company on behalf of related party, interest income charged to related party.

c) Balances with related parties are as follows

Transactions/ Balances	Transactions with Subsidiaries and Joint ventures		Key Management Personnel and their Relatives	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Trade Receivables (net of provision)	7,128.34	4,219.93	-	-
Unearned revenue	194.73	672.55	-	-
Unbilled revenue	955.33	2,746.83	-	-
Debit Note receivables	4,946.55	4,023.26	-	-
Debit note payable	3,314.10	1,343.81	-	-
Loans to subsidiary	335.34	350.34	-	-
Advance from Customers	-	12.91	-	-

Material related party transactions are as follows

Transactions/ Balances	Nature of Relationship	" Year ended March 31, 2021 "	" Year ended March 31, 2020 "
Sale of services			
Kaar Technologies Qatar LLC	Subsidiary	1,313.13	1,525.47
KAAR Technologies LLC Oman	Subsidiary	1,867.92	1,306.72
KAAR Technologies LLC Abudhabi	Subsidiary	226.80	452.15
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	2,256.41	105.49
KAAR Technologies UK Limited	Subsidiary	483.67	890.93
KAAR Technologies Inc., USA	Subsidiary	1,856.83	599.79
KAAR Technologies SDN BHD Malaysia	Subsidiary		-
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	6,541.37	7,416.54
Expenses incurred on behalf of related party			
Kaar Technologies Qatar LLC	Subsidiary	0.40	256.65
KAAR Technologies LLC Oman	Subsidiary	39.64	200.47
KAAR Technologies LLC Abudhabi	Subsidiary	225.96	49.65
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	82.26	17.91
KAAR Technologies UK Limited	Subsidiary	-	59.42
KAAR Technologies Inc., USA	Subsidiary	170.31	44.54
KAAR Technologies SDN BHD Malaysia	Subsidiary	-	20.18
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	1,947.73	344.35

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Material related party balances are as follows

Transactions/ Balances	Nature of Relationship	" As at March 31, 2021 "	" As at March 31, 2020 "
Trade Receivables (net of provision)			
Kaar Technologies Qatar LLC	Subsidiary	514.43	267.17
KAAR Technologies LLC Oman	Subsidiary	370.83	17.91
KAAR Technologies LLC Abudhabi	Subsidiary	184.00	420.47
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	553.65	8.60
KAAR Technologies UK Limited	Subsidiary	272.46	246.74
KAAR Technologies Inc., USA	Subsidiary	1,781.17	309.65
KAAR Technologies SDN BHD Malaysia	Subsidiary		25.22
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	3,451.80	2924.17
Unearned revenue			
Kaar Technologies Qatar LLC	Subsidiary	-	267.56
KAAR Technologies LLC Oman	Subsidiary	97.25	56.60
KAAR Technologies LLC Abudhabi	Subsidiary	-	17.32
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	64.36	-
KAAR Technologies Inc., USA	Subsidiary	0.01	68.85
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	33.11	262.22
Unbilled revenue			
Kaar Technologies Qatar LLC	Subsidiary	25.15	271.80
KAAR Technologies LLC Oman	Subsidiary	347.26	444.99
KAAR Technologies LLC Abudhabi	Subsidiary	133.68	227.85
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	14.37	13.44
KAAR Technologies UK Limited	Subsidiary	19.48	17.72
KAAR Technologies Inc., USA	Subsidiary	-	56.54
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	415.39	1,714.49

Material related party balances are as follows

Transactions/ Balances	Nature of Relationship	" As at March 31, 2021 "	" As at March 31, 2020 "
Debit Note receivables			
Kaar Technologies Qatar LLC	Subsidiary	705.59	257.35
KAAR Technologies LLC Oman	Subsidiary	1,228.42	1,204.64
KAAR Technologies LLC Abudhabi	Subsidiary	545.52	708.38
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	268.92	14.15
KAAR Technologies UK Limited	Subsidiary	406.39	249.38
KAAR Technologies Inc., USA	Subsidiary	333.48	227.08
KAAR Technologies SDN BHD Malaysia	Subsidiary	32.93	27.08
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	1,425.30	1,335.20
Debit note payable			
Kaar Technologies Qatar LLC	Subsidiary	754.50	722.60
KAAR Technologies LLC Oman	Subsidiary	987.19	336.05
KAAR Technologies LLC Abudhabi	Subsidiary	16.27	-
KAAR Technologies UK Limited	Subsidiary	703.20	-
KAAR Technologies Inc., USA	Subsidiary	216.92	46.61
KAAR Technologies SDN BHD Malaysia	Subsidiary	-	16.73
KAAR Technologies Co W.I.I., Bahrain	Subsidiary	636.02	221.82

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Transactions/ Balances	Nature of Relationship	" As at March 31, 2021"	" As at March 31, 2020 "
Loans to subsidiary Kaar Technologies Qatar LLC	Subsidiary	335.34	350.34
Advance from Customers Kaar Technologies Qatar LLC	Subsidiary	-	12.91

44 Financial Instruments

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

For the purposes of Company's capital management, capital includes consists of net debt (borrowings as detailed in note 42 offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company

Gearing Ratio	"As at March 31, 2021"	"As at March 31, 2020"
Debt	4,578.79	4,939.13
Less: Cash and bank balances	487.38	831.06
Net debt	4,091.41	4,108.07
Total equity	10,290.46	8,291.77
Gearing Ratio	39.76%	49.54%

Categories of Financial Instruments:	**March 31, 2021**	**March 31, 2020**
Financial assets		
a. Measured at amortised cost:		
Loans	160.34	175.34
Other non-current financial assets	383.29	1,346.96
Trade Receivables	6,458.45	3,331.12
Cash and cash equivalents	487.38	831.06
Bank balances other than above	1,007.23	12.83
Other current financial assets	2,733.39	5,454.21
b. Mandatorily measured at fair value through profit or loss (FVTPL):		
Investments	3,868.02	3,756.61
Derivative instruments	-	-
Financial liabilities		
a. Measured at amortised cost:		
Borrowings (non-current)	524.90	125.30
Borrowings (current)	4,053.89	4,813.83
Trade Payables	868.21	812.19
Other current financial liabilities	227.27	607.49
b. Mandatorily measured at fair value through profit or loss (FVTPL):		
Derivative instruments	-	2.55

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through a centralized treasury division. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities			Assets			
Currency	"Gross exposure (INR)"	"Exposure hedged using derivatives (INR)"	"Net liability exposure on the currency (INR)"	"Gross exposure (INR)"	"Exposure hedged using derivatives (INR)"	"Net asset exposure on the currency (INR)"	"Net overall exposure on the currency - net assets / (net liabilities) (INR)"
For the year ended March 31, 2021 - USD	7,335.45	-	7,335.45	13,365.56	-	13,365.56	6,030.11
For the year ended March 31, 2020 - USD	5,950.97	244.03	5,706.94	11,340.36	-	11,340.36	5,633.42

Foreign currency sensitivity analysis

"Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The following table details the Company's sensitivity movement in the foreign currencies. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%. 2% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower."

Particulars	FCY impact	
	March 31, 2021	March 31, 2020
Profit or (loss)	117.62	120.42
Equity	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company’s profit for the year ended March 31, 2021 would decrease/ increase by Rs. 11.45 lakhs (March 31, 2020 : decrease/ increase by Rs.11.66 lakhs). This is mainly attributable to the Company’s exposure to interest rates on its variable rate borrowings.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company’s investments in equity instruments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

Equity price sensitivity analysis

The fair value of equity instruments as at March 31, 2021, March 31, 2020 was Rs.3,849.92 lakhs and Rs.3,756.61 lakhs respectively. A 5% change in prices of equity instruments held as at March 31, 2021 and March 31, 2020, would result in an impact of Rs.192.50 lakhs and Rs. 187.83 lakhs respectively.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. In respective dues from the Government, the Company has considered them as fully recoverable and no allowance for expected credit loss is required.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved financial institutions/ counterparty. The Company has standard operating procedures and investment policy for deployment of surplus liquidity.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2021	"Due in 1st year"	Due in 2nd to 5th year	" Due after 5th year "	" Carrying amount "
Trade payables	868.21	-	-	868.21
Borrowings (including interest accrued thereon upto the reporting date)	227.27	524.90	-	752.17
	1,095.48	**524.90**	-	**1,620.38**

March 31, 2020	"Due in 1st year"	Due in 2nd to 5th year	" Due after 5th year "	" Carrying amount "
Trade payables	812.19	-	-	812.19
Borrowings (including interest accrued thereon upto the reporting date)	604.94	125.30	-	730.24
	1,417.13	**125.30**	-	**1,542.43**

46 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund and pension fund of Government of India. The Company also has superannuation plan and contributions are funded with LIC.

The total expense recognised in profit or loss of Rs.214.77 lakhs (for the year ended March 31, 2020 : Rs.195.57 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The liability is unfunded and is actuarially determined at each reporting date using the projected unit credit method.

(b) Compensated absence

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

(c) Risks associated with defined benefit plans

The defined benefit plans typically expose the Company to actuarial risks such as investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
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 the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(d) Further disclosures in respect of Gratuity

(i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.70%	6.56%
Rate of increase in compensation level	6.00%	6.00%
Attrition Rate	Vested 5%, non-vested 25%	Vested 5%, non-vested 25%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Particulars	March 31, 2021 Rs. Lakhs	March 31, 2020 Rs. Lakhs
Current service cost	72.12	67.38
Net interest expense	24.37	22.44
Past service cost	-	-
Components of defined benefit costs recognised in other comprehensive income	**96.49**	**89.82**

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(iii) Amount recognised in Other Comprehensive Income (OCI) for the year	March 31, 2020	March 31, 2020
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/ losses arising from changes in demographic assumptions	(1.19)	11.08
Actuarial (gains)/ losses arising from changes in financial assumptions	(5.65)	10.74
Actuarial (gains)/ losses arising from experience adjustments	67.99	(40.95)
Components of defined benefit costs recognised in other comprehensive income	**61.15**	**(19.13)**
Total amount recognised in comprehensive and other comprehensive income	**157.64**	**70.69**

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.The remeasurement of the net defined benefit liability is included in other comprehensive income.

(iv) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	479.08	406.08
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**479.08**	**406.08**
Funded	-	-
Unfunded	479.08	406.08
	479.08	**406.08**
Presented under		
Non-Current provision	429.03	351.50
Current provision	50.04	54.58
	479.07	**406.08**

The above provisions are reflected under 'post retirement benefits' (long-term provisions) and 'post retirement benefits' (short-term provisions) [Refer notes 21 & 25].

(v) Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	406.08	348.99
Current service cost	72.12	67.38
Interest cost	27.02	22.44
Past service cost		-
Actuarial (gains)/ losses arising from changes in demographic assumptions	(1.19)	11.08
Actuarial (gains)/ losses arising from changes in financial assumptions	(5.65)	10.74
Actuarial (gains)/ losses arising from experience adjustments	(13.57)	(40.95)
Benefits paid	(5.73)	(13.60)
Closing defined benefit obligation	**479.08**	**406.08**

(vi) Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	-	-
Contributions	84.64	13.60
Benefits paid	(84.64)	(13.60)
Closing fair value of plan assets	**-**	**-**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(vii) Sensitivity analysis

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs.35.93 lakhs (increase by Rs.41.68 lakhs). If the expected salary increases by 100 basis points higher(lower), the defined benefit obligation would increase by Rs.32.67 lakhs (decrease by Rs.28.98 lakhs)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

47 Share based payments

(a) Description of share-based payment arrangements

The Shareholders of the Company at the Annual General Meeting (AGM) held on September 30, 2016, approved the Kaar Technologies Employee Stock Option Plan, 2016 (the ESOP 2016 Plan). The ESOP 2016 Plan provides for issuance of 163,167 options, exercisable into equivalent number of fully paid up equity shares of Rs. 1/- each, to the employees including Directors. The ESOP 2016 Plan is administered by 3 different schemes based on the following terms:

Particulars	"ESOP Plan 2016 Growth Option"	"ESOP Plan 2016 Longevity Option"	"ESOP Plan 2016 Performance Option"
Eligible employees	Kaar Leadership Team, comprising of senior and key employees	All employees depending on the years of experience with the Company	All employees depending on performance rating for every financial year
Maximum number of options grantable	35,945	78,671	48,551
Exercise Price	INR 90/-	INR 90/-	INR 90/-

The options are granted at the market price on the date of the grant. The options granted under ESOP 2016 Plan vest not earlier than minimum period of one year and not later than maximum period of five years from the date of grant. A specific number of options vests to the eligible employees, as and when, they complete each year of services or achieve performance rating in the respective financial year. The vested options, to the extent notified by the Board, can be exercised by the option Grantees only upon happening of Liquidity Event, as stipulated in the ESOP 2016 Plan, within such period as may be prescribed by the Board of Directors.

Set out below is a summary of options granted under the plan:

	31-Mar-21		31-Mar-20	
Particulars	**Average Exercise Price per shares option (INR)**	**Number of options**	**Average Exercise Price per shares option (INR)**	**Number of options**
Opening balance	90.00	1,10,387	90.00	1,11,763
Granted during the year	90.00	-	90.00	-
Exercised during the year	90.00	-	90.00	-
Forfeited during the year	90.00	18,818	90.00	1,376
Closing balance	90.00	91,569	90.00	1,10,387
Options vested		91,569		1,10,387
Options exercisable		-		-

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 20201(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The options are exercisable upon happening of a liquidity event. In case of listing being a liquidity event, all vested options can be exercised within two year from the date of such listing. In other cases of liquidity event, the vested options can be exercised within such period as may be prescribed by the board in this regard.

During the year the Company has not granted any options. However, the fair value at grant date of options granted during the year ended March 31, 2017 was Rs 100 per option. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at the grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for the options granted during the year ended March 31, 2017 included:

a) Options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of five year after vesting.

b) Exercise price: Rs 90 per option

c) Grant date: March 27, 2018

d) Share price at grant date: Rs 90

e) Expected price volatility of the company's share: Nil

f) Expected dividend yield: Nil

g) Risk free interest rate: 7.5%

(b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2021	March 31, 2020
Employee option plan	-	-

(c) "As per the terms of the options agreement, the options are exercisable on occurrence of liquidity event. Liquidity event being:

i. listing of shares of the Company

ii. sale of 50% or more shares held by the current share holders of the Company

In case the liquidity event does not occur within 5 years from the vesting of options, the options will be settled by paying cash. However, the management is of the view that either of the liquidity event will occur within 5 years from the vesting date and accordingly there will be no requirement to settle the options in cash. Consequently the share options have been classified as equity settled options.

48 Business Combination

Summary of Amalgamation

Pursuant to a scheme of amalgamation approved by the Hon'ble NCLT vide its order dated June 8, 2020 with the appointed date of July 1, 2019, the holding company Kaar Solutions India Private Limited has been merged with the Company. The board of directors of the respective companies, have duly implemented the approved scheme of amalgamation.

As per the approved Scheme, the Company has to issue a purchase consideration of 113 shares of Re.1 each for every one equity share of Rs.100 each held by the erstwhile parent company.

Adjustment made in the retained earnings is as follows:

Kaar Technologies India Private Limited Notes to Financial Statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Amount
Share capital issued	(0.85)
Amount of share capital of the transferor	(30.00)
Investments held by transferor in transferee	197.11
Write off of intercompany balances	1.10
Amount adjusted in retained earnings	**167.36**

Significant estimate - Contingent Consideration

There was no contingent consideration identified in the above amalgamation. Hence, no disclosures were required.

Significant Judgement - Contingent Liability

There was no contingent liability identified in the above amalgamation. Hence, no disclosures were required.

49 Transfer Pricing

The Company has certain international transactions with associated enterprises. For the financial year ended March 31, 2020, the Company has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the current period, the management confirms that it maintains documents as prescribed by the Income-tax Act to prove that these transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

50 Comparative figures

Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current year's classification.

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately
Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

Consolidated Financial Statements

Kaar Technologies India Private Limited Consolidated Statement of Changes in Equity for the year ended March 31, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	" As at March 31, 2021 "	" As at March 31, 2020 "
ASSETS			
Non-current asset			
Property, plant and equipment	4	834.95	770.71
Intangible assets	4	689.13	830.26
Right of use asset	4	295.62	449.66
Goodwill on Consolidation	5	1,149.74	1,149.74
Financial assets			
Investments	6	2,133.73	2,075.89
Other financial assets	7	383.29	1,364.38
Deferred tax assets (Net)	8	229.07	310.92
Total non-current assets		**5,715.53**	**6,934.13**
Current assets			
Financial assets			
Trade receivables	9	5,851.31	**4,534.35**
Cash and cash equivalents	10	2,523.40	**1,706.71**
Bank balances other than above	11	1,007.23	**12.83**
Other financial assets	12	2,420.99	**3,974.57**
Current tax assets (net)	13	-	**44.33**
Other current assets	14	548.09	**968.89**
Total current assets		**12,351.02**	**11,241.68**
Total assets		**18,066.55**	**18,175.81**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	49.41	43.93
Other equity	16	8,662.16	5,688.80
Non-controlling Interest		(113.31)	40.98
Total Equity		**8,598.26**	**5,773.71**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings			
Other financial liabilities	17	524.90	125.30
Provisions	18	-	577.87
Other non-current liability	19	670.64	519.36
	20	91.58	-
		1,287.12	**1,222.53**
Total non-current Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	21	3,826.62	4,225.88
Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		3.59	5.03
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,438.31	3,214.52
Other financial liabilities	23	227.27	607.49
Provisions	24	83.07	80.35
Current tax liabilities (net)	25	55.76	-
Other current liabilities	26	2,546.55	3,046.30
Total current liabilities		**8,181.17**	**11,179.57**
Total liabilities		**9,468.29**	**12,402.10**
Total equity and liabilities		**18,066.55**	**18,175.81**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately
Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

Kaar Technologies India Private Limited Consolidated Statement of Changes in Equity for the year ended March 31, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	" For the year ended March 31, 2021 "	" For the year ended March 31, 2020 "
Continuing Operations			
A Income			
Revenue from operations	27	16,681.05	14,982.17
Other income	28	1,007.39	405.89
Total income		**17,688.44**	**15,388.06**
B Expenses			
Operating expenses	29	2,655.51	852.32
Employee benefits expense	30	8,177.07	8,057.37
Finance costs	31	472.70	532.90
Depreciation and amortisation expense	32	491.60	362.62
Other expenses	33	3,737.75	3,877.31
Total expenses		**15,534.63**	**13,682.52**
C Profit before tax from continuing operations		**2,153.81**	**1,705.54**
Share of Net Profit from Joint venture accounted for using equity method		39.74	69.08
		2,193.55	**1,774.62**
Profit after share of Net Profit from Joint Venture			
Income tax expense	34		
Current tax		507.11	365.22
Deferred tax charge / (benefit)		109.46	196.64
Profit for the year		**1,576.98**	**1,212.76**
D Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employee benefit expenses		(61.15)	19.13
Income tax relating to these items		18.00	(5.57)
Other comprehensive income for the year, net of tax		**(43.15)**	**13.56**
Total comprehensive income for the year		**1,533.83**	**1,226.32**
Net Profit attributable to			
Equity holders of the parent		1,543.14	1,211.30
Non-controlling interest		33.84	1.46
		1,576.98	**1,212.76**
Other Comprehensive income attributable to			
Equity holders of the parent		(43.15)	13.56
Non-controlling interest		-	-
		(43.15)	**13.56**
Total Comprehensive income attributable to :			
Equity holders of the parent		1,499.99	1,224.86
Non-controlling interest		33.84	1.46
Total comprehensive income after share of profit of Non controlling interest		**1,533.83**	**1,226.32**
Earnings per share	35		
Basic earnings per share		31.52	24.80
Diluted earnings per share		30.28	23.84

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately
Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

Kaar Technologies India Private Limited Consolidated Statement of Changes in Equity for the year ended March 31, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	" For the year ended March 31, 2021 "	" For the year ended March 31, 2020 "
Cash Flow From Operating Activities		
Profit before income tax	2,193.55	1,774.62
Adjustments for		
Depreciation and amortisation expense	491.60	362.62
Loss on sale of assets	-	0.77
Finance costs	472.70	532.90
Interest income	(59.78)	(47.05)
Fair value changes of investments	(46.47)	(108.89)
Bad debts and other write off	97.48	224.74
Unrealised foreign exchange	1,045.46	(563.53)
MTM gain on interest rate swap	-	(20.77)
	4,194.54	**2,155.41**
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(1,316.96)	(802.68)
(Increase)/decrease in other financial assets	2,518.28	(848.39)
(Increase)/decrease in other current assets	420.80	226.71
Increase/(decrease) in trade payables	(1,777.65)	1,341.62
Increase/(decrease) in provisions and other liabilities	(888.98)	628.40
Cash generated from operations	**3,150.03**	**2,701.07**
Less: Income taxes paid/ (refunds)	417.43	357.93
Net cash from operating activities (A)	**2,732.60**	**2,343.14**
Cash Flows From Investing Activities		
Purchase of property plant and equipment (PPE)	(197.83)	(4.35)
Sale proceeds on sale of PPE	-	0.30
Net impact of business combination	-	(170.38)
Investments made during the year	(57.84)	(226.35)
(Investments in)/ Maturity of fixed deposits with banks(Net)	(994.40)	67.65
Interest received	59.78	47.05
Net cash used in investing activities (B)	**(1,190.29)**	**(286.08)**
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) long term borrowings(Net)	21.93	(198.45)
Proceeds from/ (repayment of) short term borrowings(Net)	(399.26)	(218.02)
Payments made against lease liability	(227.91)	(129.60)
Interest paid(net)	(472.70)	(500.97)
Payment of interim dividends	(150.02)	-
Proceeds from share issued (including share premium)	502.35	-
Buy Back of equity shares	-	(51.24)
Net cash from/ (used in) financing activities (C)	**(725.61)**	**(1,098.28)**
Net increase/ (decrease) in cash and cash equivalents(A+B+C)	**816.70**	**958.78**
Cash and cash equivalents at the beginning of the financial year	1,706.71	747.93
Cash and cash equivalents at end of the year	**2,523.41**	**1,706.71**

The accompanying notes form an integral part of the financial statements

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	2,596.40	1,712.98

3. Also refer note 46

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately
Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

Kaar Technologies India Private Limited Consolidated Statement of Changes in Equity for the year ended March 31, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the end of April 1, 2019	**51.19**
Changes in equity share capital during the year	-
Buy Back of equity share capital	(6.41)
Reduction in share capital due to merger	(0.85)
Balance at the end of March 31, 2020	**43.93**
Additions during the period	5.48
Balance as at March 31, 2021	**49.41**

(B) Other Equity

Particulars	Securities premium	Capital redemption reserve	Optionally Convertible Preference Share Capital (Equity portion)	General Reserve	Stautory Reserve	Share options outstanding	Other comprehensive income	Foreign currency translation reserve	"Retained Earnings"	Total
Balance as at April 1, 2019	**176.64**	**-**	-	**12.00**	**15.97**	**31.41**	**-**	**(83.92)**	**5,244.48**	**5,396.58**
Additions/ (deductions) during the year	(51.24)	6.41	-	(3.02)	0.56	-	13.56	(711.28)	1,037.36	292.35
Total Comprehensive Income for the year	-	-	-	-	(0.13)	-	(13.56)	-	13.56	(0.13)
Balance as at march 31, 2020	**125.40**	**6.41**	-	**8.98**	**16.40**	**31.41**	**-**	**(795.20)**	**6,295.40**	**5,688.80**
Additions/ (deductions) during the year	494.88	-	-	-	13.80	-	(43.15)	985.70	1,520.15	2,971.37
Total Comprehensive Income for the year	-	-	1.99	-	-	-	43.15	-	(43.15)	1.99
Balance as at March 31, 2021	**620.28**	**6.41**	**1.99**	**8.98**	**30.20**	**31.41**	**-**	**190.50**	**7,772.40**	**8,662.16**

Also refer note 46

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately

Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

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Director
DIN: 00130872

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Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

1 Corporate Information

The Consolidated Financial Statements comprise financial statements of KAAR Technologies India Private Limited ("the Holding Company") and its subsidiaries (collectively referred to as “the Group”) for the year ended March 31, 2020.

"Kaar Technologies India Private Limited was incorporated in India in July 2005. The Holding Company is engaged in development and implementation of software and providing hardware solutions. The Company has invested in the following companies :

The Company, its Subsidiaries and its Associate are collectively referred as “the Group”."

a) Kaar Technologies Qatar W.L.L, a company formed in the Qatar to extend the operations of the Holding Company.

b) Kaar Technologies Inc., a company formed in the United States of America, to extend the operations of the Holding Company.

c) Kaar Technologies LLC, a company formed in the Abu Dhabi, to extend the operations of the Holding Company.

d) Kaar Technologies Co, W.L.L, a company formed in Bahrain, to extend the operations of the Holding Company.

e) Kaar Technologies LLC, a company formed in Oman, to extend the operations of the Holding Company.

f) Kaar Technologies, a company formed in the United Kingdom to extend the operations of the Holding Company.

g) Kaar Technologies, a company formed in Denmark, to extend the operations of the Holding Company.

h) Kaar Malaysia, a company formed in Malaysia, to extend the operations of the Holding Company.

Pursuant to a scheme of amalgamation approved by the Hon’ble NCLT vide its order dated June 8, 2020 with the appointed date of July 1, 2019, the holding company Kaar Solutions India Private Limited has been merged with the Company.

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

Basis of preparation and presentation

The Consolidated Financial Statements comprises of Kaar Technologies India Private Limited and all its subsidiaries and joint venture being the entities that it controls. Control is assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements and Ind AS 28 - Investments in Associates and Joint Venture.

Principles of Consolidation

a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Trade receivables and Trade payables, are eliminated in full.

c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

d) Goodwill represents the difference between the Company’s share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

e)The unaudited financial statements of foreign subsidiaries have been prepared by the management in accordance with the generally accepted accounting principles of its country of incorporation and restated to Ind AS for consolidation purposes.

f) The differences in accounting policies of the Holding Company and its subsidiaries/ associates are not material and there are no material transactions from January 1, 2020 to March 31, 2020 in respect of subsidiaries/ having financial year ended December 31, 2019.

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

h) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

i) The Company applies equity method for accounting of transactions with its joint venture.

j) Recording of investor's share in the profit/ loss of the joint venture after the date of acquisition.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

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

The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the financial results. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on ___________________

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

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

Property, Plant and Equipment (PPE) and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

"The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Amendments to Schedule III to the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period

- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

Standards notified but not effective as on March 31, 2021

On June 18, 2021, Ministry of Corporate Affairs has notified the following amendments in the Indian Accounting standards with effect from the aforementioned date which are as follows :

- **Amendment in Ind AS 8: Accounting policies, changes in accounting estimates and errors**

In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word "Framework" with the "Conceptual Framework of Financial Reporting to Ind AS" respective changes have been made in the standard

- **Amendment in Ind AS 103 - Business combination**

The amendment substitutes the definition of assets and liabilities in accordance with the definition given in the framework for the preparation and presentation of the financial statements in accordance with the Ind AS for qualifying the recognition criteria as per acquisition method

- **Amendment in Ind AS 104 - Insurance contracts**

The amendment covers the insertion of certain paragraphs in the standard in order to maitain the consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform

- **Amendment in Ind AS 107 - Financial Instruments: Recognition, Measurement and Disclosure**

"The amendment clarifies the certain disclosures to be made on account of Interst Rate Benchmark Reform like:

i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to Interest Rate Benchmark Reform;

ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition"

- Amendment in Ind AS 111 - Joint arrangements

In order to maintain consistency with the amendments in Ind AS 103, respective changes have been made in Ind AS 111.

- **Amendment in Ind AS 114 - Regulatory Deferral Accounts**

The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement and impairment & derecognition of regulatory deferral account balances if the changes makes the financial statements more relevant to the economic decision-making needs of users and no less reliable

- **Amendment in Ind AS 116 - Leases**

Extend the benefits of Covid-19 related rent concessions that were introduced last year (which allowed lessess to recognise covid-19 related rent concessions as income rather than as lease modification) from June 30, 2021 to June 30, 2022

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

3 Significant Accounting Policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified 12 months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current.

b) Fair value measurement

The Group has applied the fair value measurement wherever necessitated at each reporting period.

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

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Group's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of services

Revenue is measured based on the consideration specified in a contract with a customer net of variable consideration e.g. discounts, volume rebates, any payments made to a customer (unless the payment is for a distinct good or service received from the customer) and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer either at a point of time or over a period of time, depending upon the terms and conditions of the contract with the customers. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group derives revenue primarily from IT services comprising software development services, support services and maintenance services both under time and material contracts and fixed-price contracts.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised over a period of time based on the percentage of completion method, under which the sale value of performance obligation, including earnings thereon, is recognised on the basis of percentage that each contract's cost or efforts. Unbilled revenues represent revenue recognised in relation to efforts incurred on service contracts not billed as of year-end.

Revenue related to fixed-price contracts that provide solely for application maintenance services and support services are recognised on a straight-line basis or as services are rendered or transactions processed in accordance with contractual terms.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in the period in which the circumstances that give rise to the revision become known by the management.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or costs are reflected in the period in which the circumstances that give rise to the revision become known by the management.

Unearned revenue represents revenues for service contracts which are billed as of the year-end, for which some more efforts are to be incurred, as per the service contracts.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as ital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use bore such date, are disclosed as capital work in progress.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/ or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013, which in the opinion of the management, ensures a relevant and reliable presentation of the financial statements.

Assets Category	Estimated useful life (in years)
Leasehold improvements	Lower of lease period and useful life
Computer and data processing unit	3 - 6

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5000 each or less are fully depreciated retaining its residual value.

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.

f) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangible asset are measured on initial recognition at cost. The cost comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately

Useful life and amortisation of intangible assets

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.

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.

g) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments (other than equity instruments) at amortised cost

The Group classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instruments (other than equity instruments) at FVTOC

The Group classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments (other than equity instruments) at FVTPL

The Group classifies all other financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Group makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees and related parties, deposits, interest receivable and other advances recoverable in cash.
FVTPL	Other investments in equity instruments, forward exchange contracts (to the extent not designated as hedging instrument).

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss, net of lien available on securities held against the receivables. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	"Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. "

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

"A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue Recognition"

Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derecognition of financial liabilities

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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

h) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date at which the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group enters into forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in the foreign currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

The results and financial position of a foreign operation are translated into a presentation currency so that the foreign operation can be included in the financial statements of the reporting entity by consolidation or the equity method. The company followed consolidation method.

i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

j) Taxes

Current income tax

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 Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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 OCI 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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

k) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

l) Leases

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

a) Initial measurement

Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid. Right-of-use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by the lessee.

b) Subsequent measurement

The lease liability is measured in subsequent periods using the effective interest rate method. Right-of-use asset is depreciated in accordance with requirements in Ind AS 116, Property, Plant and equipment.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

m) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group 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.

n) Share based payments

Equity-settled transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Stock Option Plan (ESOP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A 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 Group or a present obligation that is not recognized because it is 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 recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Group discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate."

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 Property, plant and equipment

	Tangible Assets							Intangible Assets			
Particulars	**Leasehold Improvements**	**Furniture and Fixtures**	**Office Equipment**	**Computers and servers**	**Vehicles**	**Others**	**Total**	**Software licenses**	**Other developed software**	**Total**	**Right of use assets**
Cost as at April 1, 2019	**392.62**	**16.65**	**39.37**	**722.01**	**85.77**	**0.96**	**1,257.38**	**17.72**	**1,090.10**	**1,107.82**	-
Additions	-	2.38	1.02	0.95	-	-	4.35	-	154.28	154.28	563.77
Disposals	-	-	-	(2.62)	-	-	(2.62)	-	-	-	-
Cost as at March 31, 2020	**392.62**	**19.03**	**40.39**	**720.34**	**85.77**	**0.96**	**1,259.11**	**17.72**	**1,244.38**	**1,262.10**	**563.77**
Additions	-	0.67	1.95	195.20	-	-	197.83	-	-	-	62.84
Disposals	-	-	-	-	-	-		-	-	-	
Cost as at March 31, 2021	**392.62**	**19.70**	**42.35**	**915.54**	**85.77**	**0.96**	**1,456.94**	**17.72**	**1,244.38**	**1,262.10**	**626.61**
Depreciation/ Amortisation											
As at April 1, 2019	**78.52**	**7.15**	**25.51**	**217.71**	**51.35**	**0.96**	**381.20**	**16.74**	**273.79**	**290.53**	-
Charge for the period	20.86	2.68	5.92	67.44	11.85	-	108.75	0.47	140.84	141.31	114.11
Disposals	-	-	-	(1.55)	-	-	(1.55)	-	-	-	-
As at March 31, 2020	**99.38**	**9.83**	**31.43**	**283.60**	**63.20**	**0.96**	**488.40**	**17.21**	**414.63**	**431.84**	**114.11**
Charge for the period	20.86	3.17	4.69	94.32	10.55	-	133.59	0.23	140.90	141.13	216.88
Disposals	-	-	-	-	-	-	-	-			-
As at March 31, 2021	**120.24**	**13.00**	**36.12**	**345.79**	**73.75**	**0.96**	**621.99**	**17.44**	**555.53**	**572.97**	**330.99**
Net Block											
As at March 31, 2020	**293.24**	**9.20**	**8.96**	**436.74**	**22.57**	**-**	**770.71**	**0.51**	**829.75**	**830.26**	**449.66**
As at March 31, 2021	**272.38**	**6.70**	**6.23**	**537.62**	**12.02**	**-**	**834.95**	**0.28**	**688.85**	**689.13**	**295.62**

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		" As at March 31, 2021 "	" As at March 31, 2020 "
5	**Goodwill**		
	Goodwill on consolidation	1,149.74	1,149.74
		1,149.74	**1,149.74**
6	**Financial assets**		
	Non-current investments		
	Investments measured at FVTPL		
	Investment in equity instruments (fully paid-up) of Joint Venture Company Unquoted		
	175 equity shares of SR 1,000 each of BaasKaar Information Technologies Company Limited, Saudi Arabia	2,115.63	2,075.89
	3100 (Previous year: Nil) Compulsorily Convertibe Debentures of INR 100 each of NJT Network Private Limited	3.10	
	537 (Previous year: Nil) Compulsorily Convertibe Preference Shares of INR 10 each of Joule Consulting Private Limited	15.00	
		2,133.73	**2,075.89**
	Aggregate cost of unquoted investments	46.57	28.47
	Aggregate amount of impairment in the value of investments	-	-
7	**Other non-current financial assets**		
	Fixed deposits with maturity period more than 12 months *	268.91	1,003.45
	Rental deposits	114.17	105.16
	Loan to subsidiaries	-	
	Others	0.21	**238.34**
		383.29	**1,346.95**
	* marked under lien with banks		
8	**Deferred tax assets (Net)**		
	Deferred tax assets		
	On difference between book balance and tax balance of fixed assets	(153.78)	(147.72)
	Provision for expected credit loss and delay in receivables	262.42	251.90
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	339.97	247.88
	Remeasurment of financial assets and financial liabilities	-	(2.13)
	Others	(219.54)	(39.01)
		229.07	**310.92**
9	**Trade receivables**		
	Trade receivables considered good - Secured	-	-
	Trade receivables considered good - Unsecured	5,851.31	4,534.35
	Trade receivables which have significant risk increase in credit risk	518.44	865.03
	Trade receivables credit impaired	-	-
		6,369.75	**5,399.38**
	Less: Allowance for expected credit loss	(518.44)	(865.03)
		5,851.31	**4,534.35**
10	**Cash and cash equivalents ***		
	Balances with banks		
	in current accounts	2,523.40	1,706.71
		2,523.40	**1,706.71**

* There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		" As at March 31, 2021 "	“ As at March 31, 2020 ”
11	**Bank balances other than cash and cash equivalents**		
	Deposits (maturing within 12 months from the reporting date) *	1,007.23	12.83
		1,007.23	**12.83**
	* marked under lien with banks		
12	**Other current financial assets**		
	Debit notes receivable from related parties	1,425.26	1,335.20
	Contract asset - unbilled revenue	596.74	2,129.92
	Other Receivables	-	110.11
	Unamortised finance cost	24.04	9.85
	Loans and advances given	39.09	13.31
	Refundable deposits	218.19	174.05
	Others	117.67	-
		2,158.49	**3,772.44**
13	**Current tax assets**		
	Advance income tax (net of provision for tax)	-	44.33
		-	**44.33**
14	**Other current assets**		
	Balance with statutory authorities:	78.11	49.43
	Goods and services tax	-	8.55
	Input VAT		0.66
	GST refund receivable	73.06	83.08
	Service tax refund receivable	91.64	98.55
	Prepaid expenses	162.10	268.86
	Employee advances	8.13	132.10
	Advance to Vendors	135.05	**327.66**
	Others current assets	**548.09**	**968.89**
15	**Share Capital**		
	Authorised Share Capital		
	60,00,000 Equity shares of Re. 1 each	60.00	60.00
	3,00,000 (Previous year Nil) Preference shares of Re. 1 each	3.00	-
		63.00	60.00
	Issued Share Capital		
	43,92,553 Equity shares of Re. 1 each	49.41	43.93
	Subscribed and fully paid up share capital		
	43,92,553 Equity shares of Re. 1 each	49.41	49.41
	Notes:		
(a)	**Reconciliation of number of equity shares subscribed**		
	Balance as at the beginning and end of the year	4,392,553	51,18,550
	Shares issued during the period	98,970	-
	Bonus Shares issued during the period	4,49,162	-
	Buy back of equity share capital	-	(640,507)
	Reduction of equity share capital due to merger	-	(85,490)
	Balance at the end of the year	**4,958,782**	**4,392,553**

(b) During the current year the Company had issued 4,49,162 equity shares and 18,097 optionally convertible preference shares as bonus shares for other than cash.

(c) The Company has purchased Nil (Previou year : 6,40,507) number of shares during the year in the buy-back scheme as approved by the Board of Directors.

(d) There was a reduction of Nil (Previous year 85,490) number of equity shares due to merger of the holding company Kaar Solutions India Private Limited with the Company, during the year.

(e) The holding company, KAAR Solutions India Private Limited was merged with the Company as per the order dated June 8, 2020 of the Hon'ble National Company Law Tribunal, Chennai Bench with an effective date of July 1, 2019.

(f) **Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2021		March 31, 2020	
	No of shares	%	No of shares	%
KAAR Solutions India Private Limited	-	-		-
N.Maran	13,58,280	26.43%	12,34,800	28.11%
N.Ratnakumar	9,73,862	18.95%	8,85,216	20.15%
M.Selvakumar	7,46,884	14.53%	6,79,098	15.46%
George Guardian	7,46,884	14.53%	6,79,098	15.46%
Franciscus Damen	223,866		2,23,866	5.10%

(g) **Rights, preferences and restrictions in respect of equity shares issued by the Company**
The company has only one class of equity shares having a par value of Re.1 each. The equity shares of the company having par value of Re.1 /- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(h) **Rights, preferences and restrictions in respect of optionally convertible preference shares issued by the Company**
The Optionally convertible preference shares (OCPS) having a par value of Re.1 each. OCPS will carry non-cummulative dividend right. Dividend right will be 9% p.a (on the face value) which will remain fixed over the tenure of the OCPS. The OCPS will carry a preferential right vis-a-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up. The OCPS shall be non-participating in the surplus funds/ surplus assets and profits, winding-up. The OCPS shall carry voting rights as prescribed under the provisions of the Companies Act 2013.

Shares reserved for issue under option
Information relation to Kaar Technologies India Private Limited Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 43.

		" As at March 31, 2021 "	" As at March 31, 2020 "
16	**Other equity**		
	Securities premium	620.28	125.40
	Capital redemption reserve	6.41	6.41
	Equity portion of optionally convertible preference shares	1.99	-
	General reserve	8.98	8.98
	Statutory reserve	30.20	16.40
	Share options outstanding	31.41	31.41
	Other comprehensive income	-	-
	Foreign currency translation reserve	190.50	(795.20)
	Retained earnings	7,772.40	6,295.40
(i)		**8,662.17**	**5,688.80**
	Securities premium reserve		
	Balance as at the beginning of the year	125.40	176.64
	Adjustments/ deductions during the year	494.88	(51.24)
	Balance at the end of the year	**620.28**	**125.40**

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		" As at March 31, 2021 "	" As at March 31, 2020 "
	Nature and purpose of Securities premium		
	Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
(ii)	**Capital Redemption Reserve**		
	Balance as at the beginning of the year	6.41	6.41
	Additions during the year	-	-
	Balance at the end of the year	**6.41**	**6.41**
	Nature and purpose of Capital Redemption Reserve		
	The capital redemption reserve has been created pursuant to the Buy-back of equity shares during the year in accordance with the provisions of the Companies Act, 2013. The balance in this account may be utilised as per the Companies Act, 2013.		
(iii)	**Equity portion of Optionally Convertible Preference shares**		
	Balance as at the beginning of the year	-	-
	Adjustments/ deductions during the year	1.99	-
	Balance at the end of the year	**1.99**	**-**
(iv)	**General reserve**		
	Balance as at the beginning of the year	8.98	12.00
	Additions due to merger	-	(3.02)
	Balance at the end of the year	**8.98**	**8.98**
	Nature and purpose of General reserve		
	This is available for distribution to shareholders.		
(v)	**Statutory reserve**		
	Balance as at the beginning of the year	16.40	15.97
	Additions during the year	13.79	0.56
	Less: Transfer to Non-controlling Interest	0.01	(0.13)
	Balance at the end of the year	**30.20**	**16.40**
(vi)	**Share option outstanding**		
	Balance as at the beginning and end of the year	**31.41**	**31.41**
	Nature and purpose of Share option outstanding account		
	The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Kaar Technologies India Private Limited stock option plan.		
(vii)	**Other comprehensive income**		
	Balance as at the beginning of the year	-	
	Other comprehensive income for the year	(43.15)	13.56
	Adjustments/ deductions during the year	43.15	(13.56)
	Balance at the end of the year	**-**	**-**
(viii)	**Foreign currency Translation Reserve**		
	Balance as at the beginning of the year	(795.20)	(83.92)
	Less : Change during the year	985.70	(711.28)
	Balance at the end of the year	**190.50**	**(795.20)**

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		" As at March 31, 2021 "	" As at March 31, 2020"
(ix)	**Retained earnings**		
	Balance as at the beginning of the year	6,295.40	5,244.48
	Comprehensive income for the year	1,543.14	1,211.30
	Transfer from Other Comprehensive Income	(43.15)	13.56
	Amalgamation Adjustment for intercompany fair valuation	-	(167.36)
	Transfer to Statutory Reserve	(13.79)	(0.55)
	Transfer to Partner's Account	(9.20)	(6.03)
	Balance at the end of the year	**7,772.40**	**6,295.40**

Nature and purpose of Retained earnings

Company's cumulative earnings since its formation minus the dividends, capitalisation and earnings transferred to general reserves. This is available for distribution to shareholders.

		" As at March 31, 2021 "	" As at March 31, 2020"
17	**Long term borrowings**		
	Secured, at amortised cost		
	From Banks*		
	Term loans from banks	523.32	244.03
	Vehicle loans	9.80	19.78
		533.12	**263.81**
	Unsecured, at amortised cost		
	From Banks	-	106.32
	From Others	219.05	360.11
		219.05	466.43
	Less: Current liabilities of long-term debt [refer Note 23]	(227.27)	604.94
		524.90	**125.30**
	* Refer Note 39 for repayment terms and security details		
18	**Other non-current financial liabilities (at amortised cost)**		
	Security Deposit	-	577.87
		-	**577.87**
19	**Non-current provisions**		
	Provision for Gratuity	470.48	380.33
	Provision for Compensated absences	200.15	133.09
		670.63	**513.42**
20	**Other non-current liability**		
	Lease liability	91.58	-
		91.58	**-**
21	**Short term borrowings**		
	Secured, at amortised cost		
	From Banks		
	- Packing credit facilities	3,826.62	3,934.61
	- Term loan	-	63.15
	Unsecured, at amortised cost		
	- Loans from directors	-	228.12
		3,826.62	**4,225.88**
	* Refer Note 39 for repayment terms and security details		
22	**Trade payables***		
	Total outstanding dues of micro enterprises and small enterprises	3.59	5.03
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,438.31	3,214.52
		1,441.90	**3,219.55**

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

		" As at March 31, 2021 "	" As at March 31, 2020"
	*For trade payables to related parties refer note 40		
23	**Other current financial liabilities**		
	Current maturities of non-current borrowings	227.27	604.94
	Derivatives not designed as hedges		
	Interest rate swap	-	2.55
		227.27	**607.49**
24	**Current provisions**		
	Provision for Gratuity	51.93	54.58
	Provision for Compensated Absences	31.14	25.77
		83.07	**80.35**
25	**Current tax liability**		
	Advance income tax (net of provision for tax)	55.76	-
		55.76	**-**
26	**Other current liabilities**		
	Statutory dues payable	604.63	671.94
	Contract liabilities - unearned revenue	645.84	40.93
	Employee dues payables	1,042.68	1,657.80
	CSR Expenses payable	30.77	-
	Lease liability	220.83	466.10
	Advance from customers	1.80	209.53
		2,546.55	**3,046.30**

		For the year ended March 31, 2021	For the year ended March 31, 2020
27	**Revenue from operations**		
	Sale of services	16,166.52	14,955.22
	Sale of licences	514.53	26.95
		16,681.05	**14,982.17**
28	**Other income**		
	Interest income from financial assets at amortised cost	59.78	47.05
	Fair value gain on investments	46.47	108.89
	Other non-operating income	153.01	34.63
	Liabilities no longer required written back	630.25	-
	Forex gain on restatement	117.88	194.55
	Mark-to-Market gain	-	20.77
		1,007.39	**405.89**
29	**Operating expenses**		
	Cost of licences	413.19	427.59
	Consultancy charges	2,025.59	246.65
	Data center charges	178.95	156.79
	Education and training expenses	20.82	13.70
	Recruitment expenses	16.96	7.59
		2,655.51	**852.32**
30	**Employee benefits expenses**		
	Salaries and wages	7,845.70	7,729.99
	Contribution to provident and other funds	235.49	206.97
	Staff welfare expenses	95.88	120.41
		8,177.07	**8,057.37**

		For the year ended March 31, 2021	For the year ended March 31, 2020
31	**Finance costs**		
	Interest paid on loans	360.77	362.52
	Interest paid on others	105.09	136.31
	Applicable net gain/loss on foreign currency transactions and translation	6.84	34.07
		472.70	**532.90**
32	**Depreciation and amortisation expenses**		
	Depreciation on property, plant and equipment	133.59	107.20
	Amortisation of intangible assets	141.13	141.31
	Depreciation on right of use assets	216.88	114.11
		491.60	**362.62**
33	**Other expenses**		
	Rent	244.03	445.31
	Repairs and maintenance		
	- Building	65.23	69.43
	- Plant and Equipment	15.20	19.81
	Travelling expenses	650.67	1,450.05
	Website Maintenance / Development Expenses	219.51	196.63
	Communication costs	96.51	125.44
	Director Sitting Fees	20.00	20.00
	Insurance	126.01	13.24
	Audit fees (See note below)	35.01	35.64
	Allowance for expected credit loss	68.89	282.13
	Bad debts written off	97.48	40.74
	Net loss on foreign currency transactions and translations	1,336.24	259.74
	Power and fuel	30.77	48.08
	Rates and taxes	67.64	163.33
	Professional Charges	227.83	167.80
	Bank charges	52.81	82.30
	Subscription Fee	91.91	21.39
	License and Service Charges	20.21	29.87
	Printing and Stationery	8.52	16.34
	CSR Expenses	30.77	-
	Donation Paid	3.50	5.26
	Sales promotion expenses	0.69	5.46
	Tender fee	5.13	4.28
	Loss on sale of assets	-	0.77
	Provision for Advances	-	49.62
	Miscellaneous expenses	223.20	324.65
		3,737.75	**3,877.31**
	Details of payments to auditors:		
	Statutory audit*	20.95	29.57
	Audit of consolidated financial statement	2.00	2.00
	Interim audit	10.00	-
	For certification and other related work	2.00	4.00
	Reimbursement of expenses	0.06	0.07
		35.01	**35.64**

*includes fee for auditors of subsidiary companies INR 2.95 lakhs

	For the year ended March 31, 2021	For the year ended March 31, 2020
CSR expenditure		
Amount required to be spent as per Section 135 of the Act	30.77	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	-
	-	-

The Company is in the process of identifying the eligible projects and the unspent money for the year ended March 31, 2021 has been provided for in accordance the guidance issued by the Institute of Chartered Accountants of India

34 Income tax expense

(a) Income tax expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
Current tax on profits for the year	507.11	365.22
Total current tax expense	**507.11**	**365.22**
Deferred tax		
Deferred tax adjustments	109.46	196.64
Income tax expense	**616.57**	**561.86**

b) The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax from continuing operations	2,153.81	1,705.54
Income tax expense calculated at 29.12%	627.00	497.00
Impact of fair valuation	27.17	(50.45)
Impact of SEZ profit share	(232.66)	(296.07)
Effect of expenses that are not deductible in determining taxable profit	195.06	411.38
Income tax expense	**616.57**	**561.86**

c) Income tax recognised in other comprehensive income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax		
Remeasurement of defined benefit obligation	18.00	(5.57)
Total income tax recognised in other comprehensive income	**18.00**	**(5.57)**

d) Movement of deferred tax expense

For the year ended March 31, 2021

Particulars	Opening balance	Recognised in profit or (loss)	Recognised in OCI	Closing balance
Deferred tax (liabilities)/ assets in relation to:				
On difference between tax base and book base of Property, plant, and equipment and Intangible Assets	(147.72)	(7.75)	-	155.47)
Expenses allowable on payment basis under the Income Tax Act	246.15	30.40	18.00	304.16
Provision for expected credit loss and delay in receivables	251.90	0.91	-	252.81
Remeasurement of financial instruments	(2.13)	-	-	(2.13)
Others	(37.28)	(0.74)	-	(38.02)
Deferred tax (liabilities)/ assets - Net	**310.92**	**22.82**	**18.00**	**361.35**

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

For the year ended March 31, 2020

Particulars	Opening balance	Recognised in profit or (loss)	Recognised in OCI	Closing balance
Deferred tax (liabilities)/ assets in relation to:				
On difference between tax base and book base of Property, plant, and equipment and Intangible Assets	163.37	(311.09)	-	147.72)
Expenses allowable on payment basis under the Income Tax Act	210.42	41.30	(5.57)	246.15
Provision for expected credit loss and delay in receivables	169.88	82.02	-	251.90
Remeasurement of financial instruments	(2.13)	-	-	(2.13)
Others	(38.02)	0.74	-	(37.28)
Deferred tax (liabilities)/ assets - Net	**503.52**	**(187.03)**	**(5.57)**	**310.92**

		For the year ended March 31, 2021	For the year ended March 31, 2020
35	**Earnings per share**		
	Basic earnings per share		
	Profit for the year attributable to owners of the Company	1,533.83	1,226.32
	Weighted average number (WAN) of ordinary shares outstanding	44,17,228	44,96,343
	Adjustment of bonus shares issued	4,49,162	4,49,162
		48,66,390	**49,45,505**
	Basic earnings per share (Rs.)	31.52	24.80
	Diluted earnings per share		
	Profit for the year attributable to owners of the Company	1,533.83	1,226.32
	WAN of ordinary shares outstanding	44,17,228	44,96,343
	Adjustment of bonus shares issued	4,49,162	4,49,162
	Add: WAN of potential equity shares outstanding	1,80,601	1,80,601
	Adjustment of bonus shares issued	18,097	18,097
	WAN considered for Diluted EPS	**50,65,088**	**51,44,203**
	Diluted earnings per share (Rs.)	30.28	23.84

Note: Since the actual conversion of employee stock options will happen only on liquidation event, the actual number of potential equity shares relating to such options could not be determined and accordingly not adjusted for diluted earnings per share.

36 Commitments and Contingent Liability

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contingent Liability		
Outstanding guarantees and bill discounting (excluding performance guarantees)	250.98	412.59
Service tax demands/ (refunds)	380.81	380.81
Income tax reliefs claimed in Income tax returns and are pending for completion of assessments	2,007.85	724.48
Demand against Company on normal business transactions	-	99.20
Commitments	-	-

* Show cause notices issued by the departments/ authorities are not considered for the above disclosure, as the quantum of potential contingent liability cannot be determined in the absence of specific demand notices.

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

37 Operating Segments

Basis of segmentation

Ind AS 108 establishes standards for reporting information about operating segments and related disclosure about services, geographical areas and major customers. The Board of Directors of the Company have been identified as the Chief Operating decision-maker (CODM). Based on the internal reporting to the CODM, the Company has identified that the Company operates only in one segment (sale of Information technology services) and accordingly there are no other reportable segments.

The Company is domiciled in India. Information about entity wide disclosures as mandated under Ind AS 108 has been below:

		" As at March 31, 2021 "	" As at March 31, 2020 "
(a)	**The amount of revenue from external customers broken down by location of customers is as below**		
	(i) Revenue from operations		
	Within India	188.10	172.98
	Rest of the world	16,492.95	14,809.20
		16,681.05	**14,982.18**
(b)	**The total of non-current assets other than financial instruments, deferred tax assets (net) and post employment benefit assets broken down by location of assets is as below:**		
	Non-current assets		
	India	1,757.83	2,044.81
	Outside India	61.87	5.82
		1,819.70	**2,050.63**
(c)	**Information about major customers**		
	Number of external customers each contributing more than 10% of total revenue	1	-
	Total revenue from the above customers	2,070.23	-

38 Operating lease arrangements

The Company has entered into operating lease arrangements for certain premises and also for lease of certain assets. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. Since, these leases are short term in nature and the Company has availed the exemption provided in Ind AS 116 and charged the lease payments in the statement of profit and loss.

	" As at March 31, 2021 "	" As at March 31, 2020 "
Lease payments recognised in the Statement of Profit and Loss	244.03	445.31

39 **Terms of Borrowings**

(I) **Repayment terms and security details of non-current borrowings**

Particulars	Maturity date	Terms of Repayment	Rate if Interest	Security
Loans from banks-Deutsche Bank	May 05, 2022	36 monthly installments	18.00%	Unsecured
Vehicle Loan - Daimler Financial Services	January 07, 2022	84 Monthly Installments	9.99% to 12.18% p.a.	Hypothecation against the respective vehicles
Loans from NBFC-Fullerton India	August 04, 2021	24 monthly installments	18.00%	Unsecured
Loans from NBFC-Capital Float	July 10, 2021	24 monthly installments	19.00%	Unsecured
Loans from NBFC-Aditya Birla Finance	May 05, 2021	24 monthly installments	19.00%	Unsecured

II Repayment terms and security details of current borrowings

Particulars	Terms of Repayment	Rate if Interest	Security
Packing Credit Facilities from IDBI Bank (USD Loan)	On Demand	MCLR(6M) Plus 270 basis points p.a.	a. pari passu charge on the current assets of the Company both present and future with other working capital lenders (RBL, CITI and IDFC Bank) b. Pari passu charge on all of the Company's movable fixed assets with other working capital lenders c. Exclusive cash collateral for IDBI Bank by way of fixed deposit INR 30 lakhs d. Exclusive cash collateral for INR 1.75 Crores e. Cash collateral to be built by way of cut back arrangement at 3% from each export realisation on monthly basis. (To be continued till asset cover reaches 0.25 times) f. Pari passu charge on the immovable properties being properties of certain directors and senior management personal of the Company, with other working capital lenders (Bank of Maharashtra) g. Unconditional and irrevocable personal guarantee of Mr. Maran, Mr.Selvakumaran, Mr.Ratnakumar, Mr.Srinivasa Subbaiah, Mr. Guardian George, Ms Chitra Nagarajan, Mr Santhosh and Mr. Chandrasekharan.
Packing Credit Facilities from RBL bank (USD Loan)	On Demand	6M Libor Plus 300 basis points p.a.	a. Pari passu charge on entire current assets of the company both present and future under multiple banking arrangements b. Pari passu charge on the immovable properties being properties of certain directors and senior management personal of the Company, with other working capital lenders c. Personal guarantee of Mr. Maran, Mr.Selvakumaran, Mr.Ratnakumar, Mr.Srinivasa Subbaiah, Mr. Guardian George, Ms Chitra Nagarajan,Mr V Chandrasekaran and Mr Santhosh Kumar

Particulars	Terms of Repayment	Rate if Interest	Security
Guarantee Emergency Credit Line	36 months	RLLR (Y) + 100 basis subject to maximum of 9.25%	a. Extension of second charge on entire current assets of the company both present and future with other working capital lenders b. Extension of second charge on all of the company's movable fixed assets with other working capital lenders
			c. Extension of second charge on existing cash collateral in favour of IDBI Bank by way of FD for Rs.0.30 crores d. Extension of second charge on existing cash collaterals to be built by way of cut back arrangement at 3% from each export realization on monthly basis e. Extension of second charge on existing cash collaterals of Rs.1.75 crore f. Extension of second charge on the immovable properties with other working capital lenders

40 Related party disclosure

a) Name of related parties and nature of relationship

Holding company Kaar Solutions India Private Limited
(Previous Year - Kaar Solutions India Private Limited (Till June 30, 2019))

Joint Venture BaasKaar Information Technologies Company Limited, Saudi Arabia

Key management personnel and their Relatives

N. Maran	Managing Director
N. Ratnakumar	Whole-time Director
M. Selvakumaran	Whole-time Director
Guardian George	Whole-time Director
V. Chandrasekaran	Chief Financial Officer
Meena Guardian	Wife of Mr. Guardian George

Non-executive independent director Balakrishnan

Note: The above details of names of related party and nature of relationship have been determined by the company to the extent information is available with the company.

b) Transactions with related parties are as follows

Transactions/ Balances	Transactions with Subsidiaries and Joint ventures		Key Management Personnel	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration and other benefits, net of recharge to subsidiary companies **	-	-	256.41	245.86
Rent paid	-	-	26.64	26.64
Sale of Services	6,541.37	7,416.54	-	-
Expenses incurred on behalf of related party***	1,947.73	344.35	-	-

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

** Amount attributed to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

***The amount represents net balance of expenses incurred on behalf of the company, expenses incurred by the company on behalf of related party, interest income charged to related party.

c) Balances with related parties are as follows

Transactions/ Balances	Holding Company Transactions with Joint venture		Key Management Personnel	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Trade Receivables (net of provision)	3,451.80	2,924.17	-	-
Unearned revenue	33.11	262.22	-	-
Unbilled revenue	415.39	1,714.49	-	-
Debit Note receivables	1,425.26	1,335.20	-	-

Material related party transactions are follows

Transactions/ Balances	Nature of Relationship	" Year ended March 31, 2021 "	" Year ended March 31, 2020 "
Sale of services			
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	6,541.37	7,416.54
Expenses incurred on behalf of related party			
BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	1,947.73	344.35
Remuneration and other benefits			

Material related party balances are as follows

Transactions/ Balances	Nature of Relationship	" As at March 31, 2021 "	" As at March 31, 2020 "
Trade Receivables (net of provision) BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	3,451.80	2,924.17
Unearned revenue BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	33.11	262.22
Unbilled revenue BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	415.39	1,714.49
Debit Note receivables BaasKaar Information Technologies Company Limited, Saudi Arabia	Joint Venture	1,425.26	1,335.20

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

41 Financial Instruments

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/ short-term borrowings.

For the purposes of Company's capital management, capital includes consists of net debt (borrowings as detailed in note 38 offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Gearing Ratio	"As at March 31, 2021"	"As at March 31, 2020"
Debt	4,578.79	4,956.12
Less: Cash and bank balances	2,523.40	1,706.71
Net debt	**2,055.39**	**3,249.41**
Total equity	8,711.57	5,732.73
Gearing Ratio	23.59%	56.68%

Categories of Financial Instruments:	**March 31, 2021**	**March 31, 2020**
Financial assets		
a. Measured at amortised cost:		
Investments	2,133.73	2,075.89
Other non-current financial assets	383.29	1,346.95
Trade Receivables	5,851.31	4,534.35
Cash and cash equivalents	2,523.40	1,706.71
Bank balances other than above	1,007.23	12.83
Other current financial assets	2,420.99	3,974.57
b. Mandatorily measured at fair value through profit or loss (FVTPL):	2,133.73	2,075.89
Investments		
Derivative instruments		
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	524.90	125.30
Borrowings (current)	3,826.62	4,225.88
Trade Payables	1,441.90	3,219.55
Other current financial liabilities	227.27	607.49
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Derivative instruments	-	2.55

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through a centralized treasury division. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities			Assets			
Currency	**"Gross exposure (INR)"**	**"Exposure hedged using derivatives (INR)"**	**"Net liability exposure on the currency (INR)"**	**"Gross exposure (INR)"**	**"Exposure hedged using derivatives (INR)"**	**"Net asset exposure on the currency (INR)"**	**"Net overall exposure on the currency - net assets / (net liabilities) (INR)"**
For the year ended March 31, 2021 - USD	5,046.14	523.32	4,522.82	5,645.67		5,645.67	1,122.85
For the year ended March 31, 2020 - USD	6,382.90	244.03	6,138.87	4,826.63	-	4,826.63	(1,312.24)

Foreign currency sensitivity analysis

"Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The following table details the Company's sensitivity movement in the foreign currencies. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%. 2% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower."

Particulars	**FCY impact**	**FCY impact**
	March 31, 2021	March 31, 2020
Profit or (loss)	22.46	(26.24)
Equity	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2021 would decrease/ increase by Rs. 11.45 lakhs (March 31, 2020 : decrease/ increase by Rs.11.66 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Equity price risk

"Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in equity instruments exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

Equity price sensitivity analysis

The fair value of equity instruments as at March 31, 2021 and March 31, 2020 was Rs.2,133.73 lakhs and 2,075.89 lakhs respectively. A 5% change in prices of equity instruments held as at March 31, 2021, would result in an impact of Rs.106.69 lakhs and Rs. 103.79 Lakhs respectively. "

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. In respective dues from the Government, the Company has considered them as fully recoverable and no allowance for expected credit loss is required.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved financial institutions/ counterparty. The Company has standard operating procedures and investment policy for deployment of surplus liquidity.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2021	"Due in 1st year"	" Due in 2nd to 5th year "	" Due after 5th year "	" Carrying amount "
Trade payables	1,441.90	-	-	1,441.90
Borrowings (including interest accrued thereon upto the reporting date)	227.27	524.90	-	752.17
	1,669.17	**524.90**	-	**2,194.07**

March 31, 2020	"Due in 1st year"	" Due in 2nd to 5th year "	" Due after 5th year "	" Carrying amount "
Trade payables	3,219.55	-	-	3,219.55
Borrowings (including interest accrued thereon upto the reporting date)	604.94	125.30	-	730.24
	3,824.49	**125.30**	**-**	**3,949.79**

42 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund and pension fund of Government of India. The Company also has superannuation plan and contributions are funded with LIC.

The total expense recognised in profit or loss of Rs.117.15 lakhs represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Defined benefit plans

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The liability is unfunded and is actuarially determined at each reporting date using the projected unit credit method.

(b) Compensated absence

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

(c) Risks associated with defined benefit plans

The defined benefit plans typically expose the Company to actuarial risks such as investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
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 the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(d) Further disclosures in respect of Gratuity

(i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.70%	6.56%
Rate of increase in compensation level	6.00%	6.00%
Attrition Rate	Vested 5%, non-vested 25%	Vested 5%, non-vested 25%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) Amounts recognised in comprehensive income in respect of these defined benefit plans

Particulars	March 31, 2021	March 31, 2020
Current service cost	86.63	74.86
Net interest expense	24.37	22.44
Past service cost	-	-
Components of defined benefit costs recognised in other comprehensive income	**111.00**	**97.30**

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(iii) Amount recognised in Other Comprehensive Income (OCI) for the year	March 31, 2021	March 31, 2020
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/ losses arising from changes in demographic assumptions	(1.19)	11.08
Actuarial (gains)/ losses arising from changes in financial assumptions	(5.65)	10.74
Actuarial (gains)/ losses arising from experience adjustments	67.99	(40.95)
Components of defined benefit costs recognised in other comprehensive income	**61.15**	**(19.13)**
Total amount recognised in comprehensive and other comprehensive income	**172.15**	**78.17**

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.The remeasurement of the net defined benefit liability is included in other comprehensive income.

(iv) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	522.42	434.91
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**522.42**	**434.91**
Funded	-	-
Unfunded	522.42	434.91
	522.42	**434.91**
Presented under		
Non-Current provision	470.49	380.33
Current provision	51.93	54.58
	522.42	**434.91**

The above provisions are reflected under 'post retirement benefits' (long-term provisions) and 'post retirement benefits' (short-term provisions) [Refer notes 19 & 23].

(v) Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	434.91	370.34
Current service cost	86.63	74.86
Interest cost	24.37	22.44
Past service cost		
Actuarial (gains)/ losses arising from changes in demographic assumptions	(1.19)	11.08
Actuarial (gains)/ losses arising from changes in financial assumptions	(5.65)	10.74
Actuarial (gains)/ losses arising from experience adjustments	67.99	(40.95)
Benefits paid	(84.64)	(13.60)
Closing defined benefit obligation	**522.42**	**434.91**

(vi) Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	-	-
Contributions	84.64	13.60
Benefits paid	(84.64)	(13.60)
Closing fair value of plan assets	**-**	**-**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(vii) Sensitivity analysis

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs.36.89 lakhs (increase by Rs.27.31 lakhs). If the expected salary increases by 100 basis points higher(lower), the defined benefit obligation would increase by Rs.33.54 lakhs (decrease by Rs.23.95 lakhs)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

43 Share based payments

(a)Description of share-based payment arrangements

The Shareholders of the Company at the Annual General Meeting (AGM) held on September 30, 2016, approved the Kaar Technologies Employee Stock Option Plan, 2016 (the ESOP 2016 Plan). The ESOP 2016 Plan provides for issuance of 163,167 options, exercisable into equivalent number of fully paid up equity shares of Rs. 1/- each, to the employees including Directors. The ESOP 2016 Plan is administered by 3 different schemes based on the following terms:

Particulars	"ESOP Plan 2016 Growth Option"	"ESOP Plan 2016 Longevity Option"	"ESOP Plan 2016 Performance Option"
Eligible employees	Kaar Leadership Team, comprising of senior and key employees	All employees depending on the years of experience with the Company	All employees depending on performance rating for every financial year
Maximum number of options grantable	35,945	78,671	48,551
Exercise Price	INR 90/-	INR 90/-	INR 90/-

The options are granted at the market price on the date of the grant. The options granted under ESOP 2016 Plan vest not earlier than minimum period of one year and not later than maximum period of five years from the date of grant. A specific number of options vests to the eligible employees, as and when, they complete each year of services or achieve performance rating in the respective financial year. The vested options, to the extent notified by the Board, can be exercised by the option Grantees only upon happening of Liquidity Event, as stipulated in the ESOP 2016 Plan, within such period as may be prescribed by the Board of Directors.

Set out below is a summary of options granted under the plan:

Particulars	31-Mar-21		31-Mar-20	
	Average Exercise Price per shares option (INR)	Number of options	Average Exercise Price per shares option (INR)	Number of options
Opening balance	90.00	1,10,387	90.00	1,11,763
Granted during the year	90.00	-	90.00	-
Exercised during the year	90.00	-	90.00	-
Forfeited during the year	90.00	18,818	90.00	1,376
Closing balance	90.00	91,569	90.00	1,10,387
Options vested		91,569		1,10,387
Options exercisable		-		-

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The options are exercisable upon happening of a liquidity event. In case of listing being a liquidity event, all vested options can be exercised within two year from the date of such listing. In other cases of liquidity event, the vested options can be exercised within such period as may be prescribed by the board in this regard.

During the year the Company has not granted any options. However, the fair value at grant date of options granted during the year ended March 31, 2017 was Rs 100 per option. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at the grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for the options granted during the year ended March 31, 2017 included:

a) Options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of five year after vesting.

b) Exercise price: Rs 90 per option

c) Grant date: March 27, 2018

d) Share price at grant date: Rs 90

e) Expected price volatility of the company's share: Nil

f) Expected dividend yield: Nil

g) Risk free interest rate: 7.5%

(b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2020
Employee option plan	-

(c) "As per the terms of the options agreement, the options are exercisable on occurrence of liquidity event. Liquidity event being:

i. listing of shares of the Company

ii. sale of 50% or more shares held by the current share holders of the Company

In case the liquidity event does not occur within 5 years from the vesting of options, the options will be settled by paying cash. However, the management is of the view that either of the liquidity event will occur within 5 years from the vesting date and accordingly there will be no requirement to settle the options in cash. Consequently the share options have been classified as equity settled options.

44 Business Combination

Summary of Amalgamation

"Pursuant to a scheme of amalgamation approved by the Hon'ble NCLT vide its order dated June 8, 2020 with the appointed date of July 1, 2019, the holding company Kaar Solutions India Private Limited has been merged with the Company. The board of directors of the respective companies, have duly implemented the approved scheme of amalgamation.

As per the approved Scheme, the Company has to issue a purchase consideration of 113 shares of Re.1 each for every one equity share of Rs.100 each held by the erstwhile parent company."

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Adjustment made in the retained earnings is as follows:

Particulars	Amount
Share capital issued	(0.85)
Amount of share capital of the transferor	(30.00)
Investments held by transferor in transferee	197.11
Write off of intercompany balances	1.10
Amount adjusted in retained earnings	**167.36**

Significant estimate - Contingent Consideration

There was no contingent consideration identified in the above amalgamation. Hence, no disclosures were required.

Significant Judgement - Contingent Liability

There was no contingent liability identified in the above amalgamation. Hence, no disclosures were required.

45 Enterprises consolidated as subsidiary in accordance with Ind AS 110 - Consolidated Financial Statements

Name of enterprise	Country of Incorporation	March 31, 2021	March 31, 2020
Kaar Technologies Qatar LLC	Qatar	49.00%	49.00%
Kaar Technologies QFC LLC	Qatar	100.00%	100.00%
Kaar Technologies Inc.,	United States of America	100.00%	100.00%
Kaar Technologies LLC	Abu Dhabi	49.00%	49.00%
Kaar Technologies IT Consulting (Shanghai)	China	0.00%	100.00%
Kaar Technologies Co, W.L.L	Bahrain	100.00%	100.00%
Kaar Technologies LLC	Oman	99.75%	99.75%
Kaar Technologies UK	United Kingdom	100.00%	100.00%
Kaar Technologies, Denmark	Denmark	100.00%	100.00%
Kaar Technologies, Norway	Norway	0.00%	100.00%
Kaar Malaysia	Malaysia	100.00%	100.00%

46 Additional Information, as required under Schedule III to the Companies Act, 2013

For the year ended March 31, 2021

	" Net Assets i.e. Total Assets minus Total Liabilities "		" Share in Profit or Loss "		" Share in Other Comprehensive Income "	
Name of entity in the Group	**As % of consolidated Net Assets**	**Amount**	**As % of consolidated Profit / (Loss)**	**Amount**	**As % of consolidated Other Comprehensive Income**	**Amount**
Parent	78%	6,681.04	55%	873.26	100%	(43.15)
Subsidiaries						
Kaar Technologies Qatar LLC	(2%)	(206.18)	3%	47.37	-	-
Kaar Technologies QFC LLC	1%	66.92	1%	12.31	-	-
Kaar Technologies Inc.,	(1%)	(101.23)	0%	4.31	-	-
Kaar Technologies LLC	0%	(14.50)	0%	7.69	-	-
Kaar Technologies Co, W.L.L	1%	49.74	1%	8.23	-	-
Kaar Technologies LLC	3%	268.62	9%	136.51	-	-
Kaar Technologies UK	(3%)	(281.72)	27%	418.17	-	-
Kaar Technologies, Denmark	2%	133.25	0%	-	-	-
Kaar Malaysia	0%	-	0%	(4.78)	-	-

Kaar Technologies India Private Limited Notes to consolidated financial statements for the year ended March, 2021 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	" Net Assets i.e. Total Assets minus Total Liabilities "		" Share in Profit or Loss "		" Share in Other Comprehensive Income "	
Name of entity in the Group	**As % of consolidated Net Assets**	**Amount**	**As % of consolidated Profit / (Loss)**	**Amount**	**As % of consolidated Other Comprehensive Income**	**Amount**
Non-controlling interest	-1%	-113.31	2%	34.16	-	-
Associates (Investments as per equity method)	-	-	-	-	-	-
Joint ventures (Investments as per equity method)	25%	2,115.63	3%	39.74	-	-

For the year ended March 31, 2020

	" Net Assets i.e. Total Assets minus Total Liabilities "		" Share in Profit or Loss "		" Share in Other Comprehensive Income "	
Name of entity in the Group	**As % of consolidated Net Assets**	**Amount**	**As % of consolidated Profit / (Loss)**	**Amount**	**As % of consolidated Other Comprehensive Income**	**Amount**
Parent	85%	4,900.72	99%	1,195.06	100%	13.56
Subsidiaries						
Kaar Technologies Qatar LLC	-6%	(357.22)	0%	(2.23)	-	-
Kaar Technologies QFC LLC	0%	14.21	1%	10.60	-	-
Kaar Technologies Inc.,	-2%	(115.78)	2%	27.38	-	-
Kaar Technologies LLC	-1%	(78.26)	-1%	(14.05)	-	-
Kaar Technologies IT Consulting (Shanghai)	1%	47.92	0%	-	-	-
Kaar Technologies Co, W.L.L	0%	(1.96)	0%	(3.69)	-	-
Kaar Technologies LLC	0%	25.80	-5%	(58.45)	-	-
Kaar Technologies UK	-11%	(656.78)	-1%	(10.93)	-	-
Kaar Technologies, Denmark	2%	122.39	0%	-	-	-
Kaar Technologies, Norway	2%	86.80	0%	-	-	-
Kaar Malaysia	-5%	(284.90)	0%	(1.48)	-	-
Non-controlling interest	1%	40.98	0%	1.47	-	-
Associates (Investments as per equity method)	-	-	-	-	-	-
Joint ventures (Investments as per equity method)	36%	2,075.89	6%	69.08	-	-

47 Transfer Pricing

The Company has certain international transactions with associated enterprises. For the financial year ended March 31, 2020, the Company has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the current period, the management confirms that it maintains documents as prescribed by the Income-tax Act to prove that these transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

48 Comparative figures

Previous year's figures have been reclassified/ regrouped wherever necessary to conform to the current year's classification.

As per our report of even date attached
For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.004915S/ S200036

CHINNSAMY GANESAN
Partner
Membership No.027501
UDIN : Provided separately

Place : Chennai
Date :

For and on behalf of the board of directors of
KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

N. MARAN
Director
DIN: 00130872

N. RATNAKUMAR
Director
DIN: 01256584

V. CHANDRASEKARAN
Chief Financial Officer

SFS Audit Report

Independent Auditors' Report to the members of
Kaar Technologies India Private Limited
Report on the audit of the standalone financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s Kaar Technologies (India) Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (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.

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 ("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, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing ("SA") specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Emphasis of Matters

We draw attention to

a) Note 1 to the standalone financial statements, which describes that pursuant to a scheme of amalgamation approved by the Hon'ble NCLT vide its order dated June 8, 2020 with the appointed date of July 1, 2019, the holding company Kaar Solutions India Private Limited has been merged with the Company. In view of the implementation of the Said Scheme, the standalone financial statements have been prepared and presented by the Company after giving the effect of the same.

b) "Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)" section of Note 2 to the standalone financial statements which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Our opinion is not modified in respect of the above matters.

Other Matters

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till September 30, 2020 across the India with certain relaxations till November 30, 2020 across Tamilnadu to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, major portion of the audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the standalone financial statements has been performed in the aforesaid conditions.

Our opinion is not modified in respect of the above matters.

Information other than the standalone financial statements and auditors’ report thereon

The Company’s board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, Business Responsibility Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s responsibility for the standalone financial statements

The Company’s board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. 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 purpose 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 flow 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 as amended from time to time specified under section 133 of the Act;

(e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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 B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements;

(g) The Company being a private limited company, the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and

(h) With respect to the other matters to be included in the auditors’ report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the pending litigations which would impact its financial position refer note 38 to the financial statements;

(ii) The Company has made adequate provision for material foreseeable losses in respect of long-term contracts, including derivative contracts; and

(iii) There were no amounts which were required to be transferred to the investor education and protection fund by the Company.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm’s Registration No. 004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

UDIN: Provided separately
Place: Chennai
Date:

Annexure "A" to the Independent Auditors' Report of
M/s Kaar Technologies (India) Private Limited as of and for the year ended March 31, 2020
(referred to in our report of even date)

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) In our opinion and according to information and explanation given to us, the company does not hold any immovable properties and accordingly, paragraph of 3 (i) (c) is not applicable.

2) The Company is a service company, primarily rendering software development and technology support services. Accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable.

3) According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4) In our opinion and according to information and explanation given to us, the company has not granted any loans, made any investments, provided any guarantees or given any security to which the provision of section 185 of the companies Act are applicable. In respect of loans given to persons not covered by section 185 and in respect of investments made, the Company had complied with the provisions of section 186 of the Companies Act, 2013.

5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for any of the products/ services dealt with by the company. Accordingly, paragraph 3(vi) of the order is not applicable.

7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have not been regularly deposited during the year by the company with the appropriate authorities and there have been serious delays in many instances.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, except the following:

Name of the statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount related
Income Tax Act, 1961	TDS Payable	20.33	From March 2018 to August 2019
Tamil Nadu Tax on Professions, Trades, Callings and Employments Act, 2000	Professional Tax Payable	12.53	From October 2018 to September 2019

(c) According to the information and explanations given to us and the records of the company examined by us, the details of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount related	Forum in which the appeal is pending
Finance Act, 1994	Service Tax	380.81	April 2016 to June 2017	Commissioner of Service Tax
Income Tax Act, 1961	Income Tax	724.48	2016-17	Commissioner of Income Tax

8) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers during the year. According to the information and explanations given to us, the company has no outstanding dues to any financial institutions or any government or any debenture holders during the year.

9) In our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

10) According to the information and explanations given to us and based on the examination of records carried by us, no material fraud by the company or on by its officers or employees has been noticed or reported during the course of our audit.

11) The company is a private limited company and hence provision of section 197 read with Schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.

12) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

The company does not fall under the definition of a listed company or other class of companies which is required to constitute audit committee under section 177 (4) (iv) of the Act. Accordingly, the said provision is not applicable to the Company.

14) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16) According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

UDIN: Provided separately
Place: Chennai
Date: December 18, 2020

Annexure "B" to the Independent Auditors' Report of
M/s Kaar Technologies (India) Private Limited as of and for the year ended March 31, 2020
(referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of M/s Kaar Technologies (India) Private Limited ("the Company"), as at March 31, 2020, in conjunction with our audit of the standalone financial statements of the company for the year ended on the date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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 Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to standalone 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 ('the Standards'), issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements 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 ICAI.

Other matters

We bring to the attention of the users that the audit of the internal financial control system over financial reporting and the operating effectiveness of such internal financial controls over financial reporting has been performed remotely in the conditions morefully explained in the Other Matters Paragraph of our Independent Audit Report on the audit of the standalone financial statements.

Our opinion on the internal financial control system over financial reporting is not modified in respect of the above.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

UDIN: Provided separately
Place: Chennai
Date:

CFS Audit Report

Independent Auditors' Report to the members of
Kaar Technologies India Private Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of M/s Kaar Technologies (India) Private Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated balance sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and its consolidated profits, consolidated total comprehensive income, consolidated changes in equity and the consolidated cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing ("SA") specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Emphasis of Matters

We draw attention to

a) Note 1 to the consolidated financial statements, which describes that pursuant to a scheme of amalgamation approved by the Hon'ble NCLT vide its order dated June 8, 2020 with the appointed date of July 1, 2019, the holding company Kaar Solutions India Private Limited has been merged with the Company. In view of the implementation of the Said Scheme, the Consolidated Financial Statements have been prepared and presented by the Group after giving the effect of the same.

b) "Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)" section of Note 2 to the Consolidated Financial Statements which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management.

Our opinion is not modified in respect of the above matters.

Other Matters

1. We did not audit the standalone financial statements of the subsidiaries and joint venture that reflect total assets of Rs. (-) 661.55 lakhs and net assets of (-) Rs.2,360.96 lakhs as at March 31, 2020, total revenue of Rs.2,078.78 lakhs, total comprehensive Income (comprising of profit and other comprehensive income) of Rs. 71.55 lakhs and net cash flows amounting to Rs. 579.52 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements.

The financial statements of 4 subsidiaries and 1 joint venture have been audited by the other auditors of the respective subsidiaries and joint venture and whose reports have been furnished to us by the management. The holding company has passed certain consolidation adjustment entries to reconcile the inter-company balances after the accounts have been audited by the respective auditors of the aforesaid subsidiary and joint venture companies. We have not audited those adjustments and it solely based on the management's best estimate. In respect of 6 immaterial subsidiaries, where the local laws do not require audit, the financial statements are unaudited and have been furnished to us by the management. The management has confirmed to us that due care has been exercised in the preparation and presentation of the unaudited financial statements of the subsidiaries. In our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, our report in terms of section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the report of the other auditors/ the unaudited financial statements prepared and presented by the management.

2. Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till September 30, 2020 across the India with certain relaxations till November 30, 2020 across Tamilnadu to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). As a result of the above, major portion of the audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Group without any further manual modifications. We bring to the attention of the users that the audit of the Consolidated Financial Statements has been performed in the aforesaid conditions.

Our opinion is not modified in respect of the matters referred in clause (1) and (2) above.

Information other than the consolidated financial statements and auditors' report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

The Group's management are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the Group 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 Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Group's management is also responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

(b) in our opinion, proper books of account as required by law have been kept by the Holding Company, its subsidiaries included in the Group incorporated in India, including relevant records relating to preparation of the aforesaid Consolidated Financial Statements so far as it appears from our examination of those books and records of the Holding Company, the report of the other auditors and the unaudited financial statements of the subsidiary companies prepared by the management;

(c) the consolidated balance sheet, consolidated statement of profit and loss (including consolidated other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries/ joint venture included in the Group incorporated in India, including relevant records relating to the preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards, as amended from time to time, specified under section 133 of the Act;

(e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2020, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2020 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 over financial reporting of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting; and

(g) The Group being a private limited company, the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and

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

a. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements - Refer Note 39 to the Consolidated Financial Statements;

b. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

UDIN: Provided separately
Place: Chennai
Date:

Annexure “A” to the Independent Auditors’ Report on the Consolidated Financial Statements

(Referred to in paragraph 1 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Orchid Pharma Limited of even date)

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

We have audited the internal financial controls over financial reporting of M/s Kaar Technologies (India) Private Limited (“the Holding Company”), as at March 31, 2020, in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on the date.

Management’s responsibility for internal financial controls

The Holding Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

A Group’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Group’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in **reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the Group; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group’s assets that could have a material effect on the Consolidated Financial Statements.**

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Group has to further strengthen in all material respects, the internal financial control system over financial reporting to make such internal financial controls over financial reporting to operate effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group 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.

Other matters

We bring to the attention of the users that the audit of the internal financial control system over financial reporting and the operating effectiveness of such internal financial controls over financial reporting has been performed remotely in the conditions morefully explained in the Other Matters Paragraph of our Independent Audit Report on the audit of the Consolidated Financial Statements.

Our opinion on the internal financial control system over financial reporting is not modified in respect of the above.

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 004915S/ S200036

(CHINNSAMY GANESAN)
Partner
Membership No. 027501

UDIN: Provided separately
Place: Chennai
Date: