

AUDIT REPORT
&
CONSOLIDATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2023

M/s.MAGNASOFT CONSULTING INDIA
PRIVATE LIMITED

TOWER-1, OFFICE-2, 2nd FLOOR,
SATTVA GLOBAL CITY, SEZ,
SY.NO.29 & 31, MYLASANDRA,
PATTANAGERE VILLAGE,
KENGERI HOBLI,
BANGALORE – 560 059

SUNDARESHA & ASSOCIATES,
Chartered Accountants,
Professional Court, I Floor,
No.27/7, 15th Cross,
3rd Block, Jayanagar,
BANGALORE – 560 011



Independent Auditor's Report on Consolidated Financial Statements

To
The Members of
M/s.MAGNASOFT CONSULTING INDIA PRIVATE LIMITED
Bangalore

Opinion

We have audited the accompanying consolidated financial statements of M/s.Magnasoft Consulting India Private Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.60,796 Thousands as at 31 March 2023, total profit of Rs.5,014 Thousands and net cash outflows amounting to Rs.25,049 Thousands for the year then ended, as considered in the consolidated Ind As financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.





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Our opinion on the consolidated Ind As financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by other auditors.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the 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 statements 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 respective Board of Directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

Auditor's 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.

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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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are incorporated in India have 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 ability of the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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 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.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, incorporated in India are disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated Ind AS financial statements disclose the impact of pending litigations on its financial position of the Group – Refer Note 34 to the consolidated Ind AS financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group companies, incorporated in India.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that are reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year, accordingly the question of compliance with section 123 of the Companies Act, 2013 does not arise.
2. The company has ceased to be subsidiary of the public company M/s.Coffee Day Trading Limited, w.e.f 19.05.2022, and accordingly has become a private limited company, from such date. Company, being a private limited company, provisions of section 197 of the Act are not applicable to the company in respect of managerial remuneration.
3. With respect to matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable and provided to us, we report that following qualifications or adverse remarks by the respective auditors in the CARO is reported.

Sl. No.	Name	CIN	Holding Company/ subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Magnasoft Consulting India Private Limited	U74140KA2000PTC026735	Holding company	(iii)(f), (vii)(a)&(b),

We would like to draw your kind attention to the fact that both the subsidiary companies are foreign subsidiary companies and are not covered under CARO.

For SUNDARESHA & ASSOCIATES
Chartered Accountants
(Firm Registration No.008012S)


(PRADEEPA CHANDRA C)
Membership No. 216133

Partner

UDIN: 23216133BGRBWD1818



Place: Bangalore
Date : 26th April 2023



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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated Ind AS financial statements of M/s. Magnasoft Consulting India Private Limited ("the Holding Company") and its subsidiaries, as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting of the Holding Company as of that date.

The Group did not have any subsidiary company incorporated in India, accordingly the internal financial control over financial reporting in respect of Holding Company alone is considered for reporting purpose.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, are 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 ("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 group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing 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, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorizations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the group's assets that could have a material effect on the 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 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, based on test checks conducted by us, the Holding Company has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting, were prima facie operating effectively as at 31st March 2023, 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.

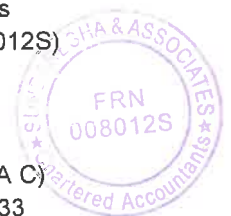
For SUNDARESHA & ASSOCIATES
Chartered Accountants
(Firm Registration No.008012S)



(PRADEEPA CHANDRA C)
Membership No.216133
Partner

UDIN: 23216133BGRBWD1818

Place: Bangalore
Date : 26th April 2023



Magnasoft Consulting India Private LimitedConsolidated Balance Sheet

Amount in (Rs. thousands.)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,709	10,432
Right-of-use assets	4	33,861	30,836
Other intangible assets	5	5,896	6,138
Intangible assets under development	5	-	-
Financial Assets			
- Investments	6	-	5
- Other non-current financial assets	7	24,359	11,506
Deferred tax assets (net)	8	77,222	87,327
Total non-current assets		1,51,047	1,46,244
Current assets			
Financial assets			
- Investments	9	15,042	-
- Trade receivables	10	47,052	58,838
- Cash and cash equivalents	11	62,104	74,225
- Bank balances other than Cash and cash equivalents	12	2,52,973	1,22,511
- Other current financial assets	13	608	405
Current tax assets (net)	14	4,640	8,086
Other current assets	15	11,303	22,853
Total current assets		3,93,721	2,86,920
Total assets		5,44,768	4,33,163
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	54,318	35,879
Other equity	17	3,79,169	2,03,487
Total equity		4,33,488	2,39,367
Non-current liabilities			
Financial liabilities			
- Borrowings	18	-	77,755
- Lease liabilities	19	21,172	22,333
Provisions	20	20,701	17,165
Total non-current liabilities		41,874	1,17,253
Current liabilities			
Financial liabilities			
- Lease liabilities	21	10,511	7,148
- Other financial liabilities	22	52,257	54,723
Provisions	23	1,785	1,426
Other current liabilities	24	4,854	13,246
Total current liabilities		69,407	76,543
Total equity and liabilities		5,44,768	4,33,163
Significant accounting policies	1 & 2		
Other notes	3 to 49		
The notes from form an integral part of the Consolidated Financial Statements			

As per our report of even date attached

For **Sundaresha & Associates**

Chartered Accountants

Firm Registration No: 008012S

**Pradeepa Chandra C**

Partner

Membership No.216133

Place: Bangalore

Date: 26 April 2023

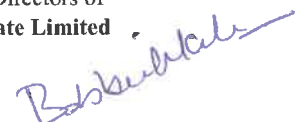
For and on behalf of the Board of Directors of
Magnasoft Consulting India Private Limited**Ramesh Govindan Tirumalai**

CEO and Director

DIN: 00013358

Bangalore

Date: 26 April 2023

**Bobbie H Kalra**

President and Director

DIN: 00324575

Bangalore

Date: 26 April 2023

Magnasoft Consulting India Private Limited**Consolidated Statement of Profit and Loss**

Amount in (Rs. thousands.)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	25	4,81,160	4,77,148
Other income	26	56,495	79,927
Total income		5,37,655	5,57,075
Expenses			
Changes in inventories of traded goods	27	-	-
Employee benefits expense	28	3,27,214	2,78,422
Cost of software packages and others	29	-	38,823
Finance costs	30	4,216	3,169
Depreciation and amortization expense	31	12,212	11,352
Other expenses	32	1,54,422	1,24,716
Total expenses		4,98,063	4,56,482
Profit before tax		39,591	1,00,593
Tax expense:			
- Current tax	33	211	-
- Deferred tax	33	10,152	29,968
Profit for the year		29,228	70,625
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plan actuarial gains/ (losses)		(170)	1,811
Less: Income tax expense / (reversal) relating to items that will not be reclassified to P&L		(47)	504
Items that will be reclassified to profit or loss			
Foreign currency translation reserve		(256)	(289)
Other comprehensive income for the year ended		(379)	1,018
Total Comprehensive Income for the year ended		28,849	71,643
Earnings per equity share:			
- Basic	38	0.56	1.97
-Diluted	38	0.52	1.87
Significant accounting policies	1 & 2		
Other Notes	3 to 49		
The notes from form an integral part of the Consolidated Financial Statements			

As per our report of even date attached

For Sundaresha & Associates

Chartered Accountants

Firm Registration No.: 008012S


Pradeepa Chandra C

Partner

Membership No.216133

For and on behalf of the Board of Directors of
Magnasoft Consulting India Private Limited

Ramesh Govindan Tirumalai

CEO and Director

DIN: 00013358


Bobbie H Kalra

President and Director

DIN: 00324575

Place: Bangalore

Date: 26 April 2023

Bangalore

Date: 26 April 2023

Bangalore

Date: 26 April 2023

Magnasoft Consulting India Private Limited
Consolidated Statement of Changes in Equity

a Equity share capital

	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
<i>Equity shares of Re 1 each issued, subscribed and fully paid</i>		
Balance at the beginning of the reporting year	35,879	35,879
Changes in equity share capital during the year	18,439	-
Balance at the end of the reporting year	54,318	35,879

b Other Equity

For the year ended 31 March 2023

Particulars	Reserves and Surplus					Other	Total
	Securities Premium	Share Options Outstanding Account	Retained Earnings	Guarantee Premium Account	Foreign currency translation reserve		
Balance as at 1 April 2022	87,941	14,736	1,03,895	2,086	(5,172)	2,03,487	
Profit or (loss) during the year	-	-	29,228	-	(256)	28,972	
Securities premium on issue of equity	1,47,511	-	-	-	-	1,47,511	
Share options addition during the year	-	(678)	-	-	-	(678)	
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	(123)	-	-	(123)	
Balance as at 31 March 2023	2,35,452	14,058	1,33,001	2,086	(5,428)	3,79,169	

For the year ended 31 March 2022

Particulars	Reserves and Surplus				Other	Total
	Securities Premium	Share Options Outstanding Account	Retained Earnings	Guarantee Premium Account	Foreign currency translation reserve	
Balance as at 1 April 2021	87,941	9,861	31,963	2,086	(4,883)	1,26,969
Profit or (loss) during the year	-	-	70,625	-	(289)	70,336
Share options addition during the year	-	4,875	-	-	-	4,875
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	1,307	-	-	1,307
Balance as at 31 March 2022	87,941	14,736	1,03,895	2,086	(5,172)	2,03,487

For Sundaresha & Associates

Chartered Accountants

Firm registration number : 008012S



Pradeepa Chandra C

Partner

Membership No.216133

Place: Bangalore

Date: 26 April 2023



For and on behalf of the Board of Directors of

Magnasoft Consulting India Private Limited



Ramesh Govindan Tirumalai

CEO and Director

DIN: 00013358

Bangalore

Date: 26 April 2023



Bobbie H Kalra

President and Director

DIN: 00324575

Bangalore

Date: 26 April 2023

Magnasoft Consulting India Private Limited
Consolidated Cash Flow Statement

	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Profit before tax	39,591	1,00,593
Adjustments:		
- Interest income	(10,378)	(5,807)
- Interest on security deposits	(338)	245
- Gain/ (loss) on sale of property, plant and equipment	-	(44)
- Interest expense	2,225	1,673
- Interest expense (Due to Ind AS 116)	1,990	1,497
- Share based payments	(678)	4,875
- Effect of exchange differences on translation of assets and liabilities	(256)	(289)
- Depreciation and amortization	12,212	11,352
- Bad debts written off and allowance for bad debts written off (Net)	317	-
- Provision for doubtful debts	449	2,281
- Provision or liability written back	(510)	(28,443)
- Impairment of investment in NSC	5	-
- Unrealized exchange loss/(gain), net	(799)	(3,072)
- Net effect of exchange (gain)/loss on cash and cash equivalents	305	-
- (Gain)/Loss on Liquid investment carried at FVTPL	(336)	-
- Loss on Asset Discarded	-	2,979
- Rent Concession due to COVID 19	-	(82)
- (Gain)/ loss on Lease Modification/Termination	-	(2,213)
Operating cash flow before working capital changes [A]	43,800	85,542
Changes in		
- Trade receivables	4,720	(28,117)
- Current and non-current financial assets	(2,990)	(997)
- Other current and non-current assets	11,550	(15,308)
- Current and non-current financial liabilities	(2,293)	29,015
- Other current and non-current liabilities	2,768	556
Cash generated from operations	57,555	71,135
Income taxes paid(Net of refunds)	3,413	(4,445)
Cash generated from / (used in) operations	60,969	66,690
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,791)	(12,344)
Proceeds from sale of property, plant and equipment	-	319
(Investment in) of fixed deposits	(1,40,844)	(14,366)
(Investment in) mutual funds	(15,000)	-
Interest received	10,200	5,154
Net cash generated from/(used in) investing activities [B]	(1,49,435)	(21,238)
Cash flows from financing activities		
Proceeds from issue of share capital	1,65,950	-
Interest paid	(2,225)	(1,673)
Proceeds from/ (Repayment of) Finance lease	(9,614)	(5,409)
(Repayment of)/ Proceeds from long term loans	(77,755)	(1,060)
Net cash from/(used) in financing activities [C]	76,355	(8,142)
Increase in cash and cash equivalents [A + B + C]	(12,111)	37,310
Cash and cash equivalents at the beginning of the year	74,225	36,915
Net effect of exchange gain/(loss) on cash and cash equivalents	(305)	-
Gain/(Loss) on Liquid investment carried at FVTPL	295	-
Cash and cash equivalents at the end of the year	62,104	74,225



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Magnasoft Consulting India Private Limited
Consolidated Cash Flow Statement

Amount in (Rs. thousands.)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Components of cash and cash equivalents		
Balances with banks:		
- in current accounts	31,808	74,157
- in fixed deposits	-	-
Cash on hand	1	68
Cash Equivalents	30,296	
Cash and cash equivalents at the end of the year	62,104	74,225

Reconciliation of liabilities from financing activities

	31 March 2022	Proceeds	Interest	Repayment	31 March 2023
Long-term finance lease (including current portion)	7,166	-	7,21,635	(29,65,814)	(22,37,013)
	7,166	-	7,21,635	(29,65,814)	(22,37,013)

As per our report of even date attached

For **Sundaresha & Associates**

Chartered Accountants

Firm registration number: 008012S



Pradeepa Chandra C

Partner

Membership No.216133

Place: Bangalore

Date: 26 April 2023



For and on behalf of the Board of Directors of
Magnasoft Consulting India Private Limited



Ramesh Govindan Tirumalai

CEO and Director

DIN: 00013358

Bangalore

Date: 26 April 2023



Bobbie H Kalra

President and Director

DIN: 00324575

Bangalore

Date: 26 April 2023

1 Group background

Magnasoft Consulting India Private Limited (the 'group') together with its subsidiaries collectively referred to as ("the Group"). The group is engaged in the business of providing Information Technology Enabled Services (ITES) such as Geospatial services. Geospatial Services Includes services of Engineering, Image Processing, photogrammetry, data conversion, orthophoto, building information modelling, 2D & 3D modelling of property, plant & equipment, structural analysis, annotation and related services. The group is carrying on its business from various locations including Special Economic Zone.

SI No	Name	Country of Incorporation	% of Holding
1	Magnasoft Spatial Services Inc	United States of America	100%
2	Magnasoft Europe Ltd	United Kingdom	100%

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Magnasoft Consulting India Private Limited (the 'group') and its subsidiaries.

2.1 Basis of preparation of financial statements

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

These interim financial statements are prepared in accordance with, and are in compliance with, IndAS 34 Interim Financial Reporting. These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- liabilities for cash-settled share-based payment arrangements,
- the defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation,
- Contingent consideration

The statement of cash flows have been prepared under indirect method.

2.2 Use of estimates and judgements

The preparation of these Consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits, useful lives of property, plant and equipment, valuation of deferred tax assets, fair value measurement of financial instruments, provisions and contingent liabilities have been discussed in their respective policies.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees, which is the group's functional currency. All financial information presented in Indian rupee.



2.4 Basis of consolidation

The consolidated financial statements include the financial statements of the group and all its subsidiaries, which are owned and controlled. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the group and deconsolidated from the date that control ceases. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of the consolidated financial statements as laid down under the Ind AS 110 - Consolidated Financial Statements' and Ind AS 28 - Investments in Associates and Joint Ventures.

The consolidated financial statements are prepared on the following basis:-

Subsidiaries:

a) The financial statements of the parent group and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits/ losses in full in accordance with Ind AS 110. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent group and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

b) In translating the financial statements of the foreign subsidiaries for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, while income and expense items are translated at the date of transaction. For practical reasons, a rate that approximates the actual exchange rates i.e. average rate for the period has been used and all resulting exchange differences are reflected in foreign currency translation reserve. Share Capital and opening reserves and surplus are carried at historical cost. The resulting net exchange difference are reflected in foreign currency translation reserve

2.5 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its operating cycle.

2.6 Property, plant and equipment and other intangible assets (other than goodwill)

Property, plant and equipment:

Fixed assets are stated at the cost of acquisition inclusive of freight, duties, levies, up to the date of ready to use and any directly attributable cost of bringing the asset to their working condition for intended use at site after adjusting transit insurance claim, if any, but excluding refundable taxes from tax authorities.

The borrowing costs incurred in respect of a qualifying asset is capitalised to the respective asset up to the date of substantial completion of the asset.

Advance paid towards the acquisition of fixed assets outstanding at each balance sheet are shown under capital advances. The cost of property, plant and equipment not ready for their intended use before such date, are disclosed as capital work in progress.



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Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Expenses incurred for software product development are recognised as intangible asset on satisfaction of technical and commercial feasibility of the project is demonstrated, Intention and ability to complete and use or sell the software and future economic benefits are probable and the cost can be measured reliably.

Development costs or acquisition costs, of new software to be developed and sold to many customers, clearly associated with an identifiable and unique product, which will be controlled by the Group and has probable benefit exceeding its cost beyond one year, are recognised as an intangible asset and amortised over the software's expected useful life. Associated costs include staff costs of the development team and an appropriate portion of overheads, but exclude the cost of maintaining the software, which is expensed off as and when it is incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Expenses incurred after completion of software will be recognised as intangible asset, if it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and the expenditure can be measured and attributed to the asset reliably.

Intangible assets with finite lives are amortised over the useful economic life on a straight- line basis, commencing from the date is available to the Group for its use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Presently for internally developed software useful life is estimated at 3 to 5 years.

Capital Work in progress/ Intangible asset under development:

Cost of fixed assets not 'ready to use' before the year-end are classified and disclosed as Capital Work in progress/ Intangible asset under development.

Depreciation methods, estimated useful lives and residual value

Depreciation is charged on a straight line basis so as to write off the depreciable amount of the assets over the useful life of the assets as mentioned in the following table, w.e.f 01.04.2014, in line with Schedule II of the Companies Act, 2013. In respect of assets acquired prior to 01.04.2014, the carrying amount as on 01.04.2014 is depreciated over the remaining useful life. In respect of assets where the remaining useful life of an asset is nil as on 01.04.2014, the same (after retaining the residual value) is recognized in the opening balance of retained earnings.

Depreciation / amortization is charged on proportionate basis for all assets put to use during the reporting period or decapitalized during the period.

In respect of intangible assets amortization is charged on straight line basis so as to write off the cost of the asset over its useful life as mentioned in the following table :

Asset category	Useful Life (years)
Tangible Assets	
Computers and data processing units	
i) Servers and networks	6
ii) End user devices, such as laptops, computers, etc.	3
Office Equipment	5
Electrical Fittings and equipment	10
Furniture & Fixtures	10
Intangible Assets	
Computer Software	5
North Star Software	5

Freehold land is not depreciated. The building built on leasehold land is classified as building and is amortised over the lease term or the useful life of the building, whichever is lower.



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2.7 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset or a Group of assets comprising a cash-generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or Group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

2.8 Inventories

Inventories are valued at the lower of cost and net realizable value. 'Cost' comprises purchase cost and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Nature of inventory	Method of valuation
Stock-in-trade	At cost on a FIFO basis

The comparison of cost and net realizable value is made on an item by item basis. The Group periodically assesses the inventory for obsolescence and slow moving stocks. The net realizable value of work in progress is determined with reference to the net realizable value of the related finished goods.

2.9 Revenue recognition

The revenues from ITES are recognized based on the percentage completion method of accounting as per IND AS 115.

Effective April 1, 2018 the group adopted Ind AS 115 "Revenue from Contract with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-time frame or on a time-and-material basis. The revenues from other software services are recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Revenue from the services are recognized upon delivery and installation, as and when the title and risk passes on to the customer.

Revenue from traded goods are recognized upon delivery, as and when the title and control passes on to the customer.

Revenues in excess of invoicing are classified as Unbilled Revenue while invoicing in excess of revenues are classified as Unearned Revenues at the end of the reporting period.

2.10 Government grant

The group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

2.11 Expenditure

Project / order related costs such as salaries, travel and other expenses incurred with regard to the specific project / order which is yet to achieve the specified milestone, and not billed, would be carried in the books as Work-in-progress as on Balance Sheet date. Provisions are made for all known losses / liabilities based on the actual and any estimated cost to come on achievement of specific milestone.



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2.12 Leases

IndAS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Magnasoft's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Under modified retrospective approach, the group records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The group account for a lease modification as a separate lease if :

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the group accounts for the remeasurement of the lease liability by:

- (a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The group recognised in profit or loss any gain or loss relating to the partial or full termination of the lease.
- (b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The group has not applied the requirements in paragraph 22-49 of Ind As 116 to short term leases and the the leases for which the underlying asset is of low value.

Covid-19-Related Rent Concession

As per the amended Ind AS 116, Leases on Covid-19 related Rent Concession, as a practical expedient, Lessee may elect not to assess whether a rent concession that meets the condition in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this standard if the changes were not a lease modification.

The group has opted to apply paragraph 46A of Ind AS 116, Leases and accounted rent concession due to Covid 19 as other income in Profit and Loss account.

2.13 Investments and other financial assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.



b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity instruments

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

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

c) Impairment of financial assets

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

d) Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

2.14 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortised cost.

At initial recognition, the Group measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. 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 Statement of 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.

2.15 Amortised cost

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.



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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.

Financial guarantee contracts

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are recognised as a financial asset at the time the guarantee is taken. The asset is initially measured at fair value and subsequently amortised over the guarantee period.

Where guarantees in relation to loans or other payables are provided by group companies for no compensation, the fair values are accounted for as contributions and recognised as part of equity.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.16 Employee benefits

a) Defined benefit plans

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses 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.

b) Short-term benefit plans

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

c) Other long-term benefit plans

Cost of long term benefits by way of accumulating compensated absences arising during the tenure of service is calculated taking into account the pattern of an ailment of leave. Further, in respect of encashment of leave the defined benefit is calculated taking into account all types of increments and qualifying salary projected up to assumed date of encashment. The present value of obligations towards an ailment and encashment under such long term benefit is determined based on actuarial valuation carried out by an independent actuary using Projected Unit Credit Method as at the year end. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

d) Defined contribution plan

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

e) Share based payments to Employees

The group accounts for share-based payments based on fair value method. The compensation cost relating to employee is recognised as an employee benefits expense with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled i.e vesting period in employee benefits expense. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.



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The group has adopted Amendment to Ind AS 19 – ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements effective from 01 April, 2019

As per the amendments, the group:

- Uses updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- Recognises in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The group remeasured the defined benefit obligation during the year ended 31 March, 2020, and effect of past service cost on adoption of this amendment is insignificant in financial statements.

2.17 Foreign currency transactions

Revenue items:

In the case of transactions in foreign currency, rate of exchange prevailing on the dates of respective transactions shall be adopted for accounting.

Monetary items:

Foreign currency monetary items shall be reported using the closing rate. However, in certain circumstances, where the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realized from, or required to disburse, a foreign currency monetary item at the balance sheet date, e.g., where there are restrictions on remittances or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date. In such circumstances, the relevant monetary items shall be reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date.

Non-Monetary items:

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency shall be reported using the exchange rate that existed on the date of such transaction

Exchange Fluctuation:

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.



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2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 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.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The Group reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Accordingly, MAT Credit Entitlement is grouped with Deferred Tax Asset (net) in the Balance Sheet.

The group has adopted Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments effective from April 1, 2019.

According to the appendix, the group determines the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the group have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The group has adopted Amendment to Ind AS 12 – Income taxes, in connection with accounting for dividend distribution taxes effective from April 1, 2019.

The group recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effect on adoption of amendment to Ind AS 12 would be insignificant in standalone financial statements

2.21 Deferred tax

The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. 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.

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.



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2.22 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

2.23 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.24 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

2.25 Earnings per share

The basic earning per share is computed by dividing the net profit/ (loss) attributable to owner's of the Group for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.26 Share-based payments

The group accounts for share-based payments based on fair value method. The compensation cost relating to employee is recognised as an employee benefits expense and non-executive directors recognised as other expenses with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.27 Segment reporting

The COO and MD of the group is identified as a chief operating decision maker (CODM) as defined in Ind AS 108 - Operating Segments. The CODM evaluates the group performance based on an analysis of various performance indicators by geographical segments.

The group is structured into six geographical segments, namely Africa, Americas, Asia pacific, Europe, Middle East, and Oceania. The reportable geographical segments are in line with the segment-wise information that is provided to the CODM.



2.28 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

An entity shall disclose material accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 12 – Income Taxes

Income Taxes exempt an entity from recognising a deferred tax asset or liability in particular circumstances. Despite this exemption, at the date of transition to Ind ASs, a first-time adopter shall recognise a deferred tax asset—to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised—and a deferred tax liability for all deductible and taxable temporary differences associated with:

- (a) Right-of-use assets and lease liabilities; and
- (b) decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The group is evaluating the impact, if any, on its financial statements from the amendments.



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3 Property, plant and equipment

Amount in (Rs. thousands.)

	Owned			Total
	Plant and Equipment	Office equipment	Furniture and fixtures	
Gross carrying amount (deemed cost)				
Balance as at 1 April 2021	59,122	9,298	15,175	83,596
Additions	3,113	146	-	3,259
Deletions	1,358	2,322	14,822	18,502
Effects of movement in exchange rates	5	-	-	5
Balance as at 31 March 2022	60,882	7,122	354	68,358
Balance as at 1 April 2022	60,882	7,122	354	68,358
Additions	1,550	282	19	1,851
Deletions	-	-	-	-
Effects of movement in exchange rates	61	-	-	61
Balance as at 31 March 2023	62,493	7,405	372	70,270
Accumulated depreciation				
Balance as at 1 April 2021	50,966	7,031	13,637	71,633
Charge for the year	2,118	692	389	3,199
Disposals	1,303	1,889	13,717	16,909
Effects of movement in exchange rates	1	-	-	1
Balance as at 31 March 2022	51,781	5,835	309	57,925
Balance as at 1 April 2022	51,781	5,835	309	57,925
Charge for the year	2,182	424	13	2,619
Disposals	-	-	-	-
Effects of movement in exchange rates	16	-	-	16
Balance as at 31 March 2023	53,979	6,259	323	60,561
Carrying amount:				
As at 31 March 2022	9,101	1,287	44	10,432
As at 31 March 2023	8,514	1,146	50	9,709



Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

4 Right-of-use assets

Amount in (Rs. thousands.)

	Leased			Total
	Building	Furniture and fixtures	Plant and equipment	
Gross carrying amount (deemed cost)				
Balance as at 1 April 2021	44,487	-	75,515	1,20,002
Additions	17,528	8,133	7,200	32,861
Deletions				
- Sold	-	-	7,318	7,318
- Lease Modification/Termination	44,487	-	-	44,487
Balance as at 31 March 2022	17,528	8,133	75,397	1,01,058
Balance as at 1 April 2022	17,528	8,133	75,397	1,01,058
Additions	10,263	217	-	10,481
Deletions	-	-	-	-
Balance as at 31 March 2023	27,791	8,351	75,397	1,11,539
Accumulated Amortisation				
Balance as at 1 April 2021	35,468	-	73,270	1,08,738
Charge for the year	4,565	137	1,315	6,017
Deletion				
- Sold			7,129	7,129
- Lease Modification/Termination	37,403	-	-	37,403
Balance as at 31 March 2022	2,629	137	67,456	70,223
Balance as at 1 April 2022	2,629	137	67,456	70,223
Charge for the year	3,506	2,691	1,259	7,455
Deletion	-	-	-	-
Balance as at 31 March 2023	6,135	2,828	68,715	77,678
Carrying amount:				
As at 31 March 2022	14,899	7,996	7,941	30,836
As at 31 March 2023	21,657	5,522	6,682	33,861



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Notes to the Consolidated Financial Statements for the year ended 31 March 2023

5 Intangible assets

Amount in (Rs. thousands.)

	Computer software	Total	Intangible assets under development
Gross carrying amount (deemed cost)			
Balance as at 1 April 2021	2,63,582	2,63,582	34,552
Additions	1,882	1,882	-
Deletions	2,55,184	2,55,184	34,552
Balance as at 31 March 2022	10,280	10,280	-
Balance as at 1 April 2022	10,280	10,280	-
Additions	1,895	1,895	-
Deletions			
-Discard	-	-	-
Balance as at 31 March 2023	12,175	12,175	-
Accumulated amortisation			
Balance as at 1 April 2021	2,55,719	2,55,719	34,552
Charge for the year	2,135	2,135	-
Deletion			
-Discard	2,53,712	2,53,712	34,552
Balance as at 31 March 2022	4,142	4,142	-
Balance as at 1 April 2022	4,142	4,142	-
Charge for the year	2,137	2,137	-
Deletion			
-Discard	-	-	-
Balance as at 31 March 2023	6,279	6,279	-
Carrying amount:			
As at 31 March 2022	6,138	6,138	-
As at 31 March 2023	5,896	5,896	-



Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

6 Non-current investments

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
<i>Un-quoted at cost</i>		
Government securities		
- National Saving Certificate	-	5
	-	5

7 Other non-current financial assets

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Security Deposits	7,150	4,679
Fixed deposit accounts with banks	17,209	6,827
	24,359	11,506

Note:

1. Fixed Deposit valuing Rs.1,800 thousands (PY - 1,800 thousands) liened against the Bank Guarantee issued by ICICI Bank Limited in favour of Hewlette Packard Financial Services Pvt Ltd in consideration of providing Finance Lease for the purchase of HPE Server equipments.

8 Deferred tax assets, net

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Excess of depreciation provided in the books over depreciation allowable under income tax laws	10,797	14,755
Investments carried at FVTPL	(94)	-
Defined benefit obligations	6,256	5,172
Provision for Doubtful Trade receivables	7,067	15,478
Unabsorbed losses	18,404	17,024
Minimum Alternate Tax credit entitlement	34,792	34,897
	77,222	87,327

9 Current investments

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
<i>Quoted- carried at fair value through profit or loss</i>		
Investment in Mutual fund units	15,042	-
	15,042	-
(a) Aggregate amount of quoted investment and market value	15,042	-
(b) Aggregate amount of unquoted investment	-	-
(c) Aggergate amount of impairment in value of investment	-	-



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Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

10 Trade receivables

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Current		
Trade Receivables considered good - Unsecured	47,052	58,838
Trade Receivables - Credit impaired	27,112	56,828
	74,164	1,15,666
Less: Allowances for credit losses	(27,112)	(56,828)
	47,052	58,838

Note

Trade receivables ageing more than 120 days past due for the year ended 31st March 2023 in excess of expected credit loss includes an amount of Rs.1,635 thousands. Expected credit loss on the said receivable has not been provided due to back to back payment terms with one of the customer.

For Trade receivables aging refer note no.40.

11 Cash and cash equivalents

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Balances with banks		
- in current accounts	31,808	74,157
- in fixed deposits	-	-
Cash on hand	1	68
Cash Equivalents		
-Investment in Mutual fund	30,296	-
	62,104	74,225

Note:

The group considered highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents.

12 Bank balances other than Cash and cash equivalents

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Balances with banks		
- in fixed deposit accounts with banks	2,52,973	1,22,511
	2,52,973	1,22,511

13 Other current financial assets

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Staff advance	125	405
Unbilled revenue	483	-
	608	405



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Magnasoft Consulting India Private Limited**Notes to the Consolidated Financial Statements for the year ended 31 March 2023****14 Current tax Assets**

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Opening balance	8,086	3,642
Less: Current tax payable for the year	-	-
Less: Income tax earlier years	211	
Add: Tax paid during the period	1,209	4,445
Less: Refund received from tax department	4,445	-
Closing balance	4,640	8,086

15 Other current assets

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances:		
- for supply of goods and rendering of services	1,546	2,812
- deposit with government authorities	4,690	2,852
Prepayments	3,958	4,231
Export Incentive (SEIS) realisable	-	11,848
Other Receivables	1,110	1,110
	11,303	22,853

Note: SEIS Duty Credit Scrip

As per the Notification issued by the Central Government dtd 23 September 2022, group was eligible for SEIS Duty Credit Scrip for the net foreign exchange earned against service exports rendered in FY 2019-20. Complying to the notification group has filed application and got approval from DGFT for the Scrip value of Rs.14,809 thousands in Previous FY 2021-22. Hence the income and asset are recognised at the market realisable value of 80% of the scrip amount. Estimation of realisable value is made with a best judge assesment of market conditions and the impact analysis of the same is as follows. Central Government has not issued any notification on Duty Credit Scrip in the current FY 2022-23

As at 31 March 2022

Realisation % Change	Impact on profit and loss statement	
	Increase	Decrease
-14.95%	1,771	(1,771)

There are no unrealised export benefit outstanding as at year ended 31.03.2023



16 Share capital

(a) Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Authorised		
10,00,00,000 (31 March 2022: 10,00,00,000) equity shares of Re 1 each	1,00,000	1,00,000
	1,00,000	1,00,000
Issued, subscribed and fully paid up		
5,43,18,282 (31 March 2022: 3,58,79,394) equity shares of Re 1 each	54,318	35,879
	54,318	35,879

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period is as given below:

	Amount in (Rs. thousands.) Except share data			
	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	3,58,79,394	35,879	3,58,79,394	35,879
Add: Shares issued/converted during the year	1,84,38,888	18,439	-	-
Number of shares outstanding at the end of the year	5,43,18,282	54,318	3,58,79,394	35,879

Note:

Pursuant to applicable provisions of the Companies Act, 2013 and in terms of Articles of Association of the company, Board Members vide meeting dated March 25, 2022, approved the issue and offer of equity shares on right basis to the existing shareholders of the company whose names appear in the Register of Members as on March 25, 2022, further on May 19, 2022 company has accorded for the allotment of 1,84,38,888 equity shares of Rs.1/- each at a premium of Rs.8/- per share ranking pari passu with the existing shares.

Name of the Allottee	No of shares	Amount
Suman Anna Mathews	10,00,000	9,000
Mukund Srinath Jtly with Mahalakshmi Mukund	2,11,111	1,900
PM Ventures Private Limited	53,72,222	48,350
Ramesh Govindan Tirumalai Jtly with Sowmya Narayanan	11,11,111	10,000
Rajiv Kuchhal	53,72,222	48,350
SBSM Ventures LLC	53,72,222	48,350
Total	1,84,38,888	1,65,950

(c) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The group has one class of equity shares having a par value of Re 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts if any, in proportion to their shareholding.

(d) Equity shareholders holding more than 5% of equity shares along with the number of equity preference shares held at the beginning and at the end of the period is as given below:-

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	% of holding	No of shares	% of holding	No of shares
Coffee Day Trading Limited	48.21%	2,61,85,728	72.98%	2,61,85,728
PM Ventures Private Limited	13.28%	72,12,222	5.13%	18,40,000
Mr. Bobbie H Kalra	11.23%	61,00,000	17.00%	61,00,000
Rajiv Kuchhal	10.14%	55,09,222	0.38%	1,37,000
SBSM Ventures LLC	9.89%	53,72,222	0.00%	-



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(e) **Shares held by promoters**

As at 31 March 2023

Promoter name	No. of Shares	% of total shares	% Change during the year
Mr. Bobbie H Kalra	61,00,000	11.23%	6%

As at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year
Coffee Day Trading Limited	2,61,85,728	72.98%	0.00%
Mr. Bobbie H Kalra	61,00,000	17.00%	0.00%

- (f) The group has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

17 Other equity

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Securities premium	2,35,452	87,941
Share Options Outstanding Account	14,058	14,736
Retained earnings	1,33,001	1,03,895
Guarantee Premium Account	2,086	2,086
Foreign currency translation reserve	(5,428)	(5,172)
	3,79,169	2,03,487

Refer Statement of Changes in Equity for details of movement during the period

Nature and purpose of other reserves:

Securities premium:

Securities premium reserve is used to record the premium received on issue of shares by the group. The reserve can be utilised in accordance with the provision of sec 52(2) of Companies Act, 2013.

Share Options Outstanding Account:

The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.

Retained Earnings:

Retained Earnings comprise of the company's accumulated undistributed earnings / (losses). Remeasurements of defined benefit plan liability/asset comprises actuarial gains or losses and returns on plan asset, if any, excludes interest income and the same is recognised as part of retained earnings with separate disclosure.

Guarantee Premium Account:

Represents guarantee premium incurred by holding company where the company has received financial guarantee.

Foreign currency translation reserve

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

18 Non-current borrowings

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Long-term Loans from related parties		
- Coffee Day Trading Limited	-	27,755
- Tanglin Developments Ltd	-	50,000
	-	77,755

Note: Company has entered into irrevocable settlement agreement with Coffee Day Trading Limited and Tanglin Development Limited and discharged the full loan to respective parties.

Particulars	Nature	Type	As at 31 March 2023	Terms and conditions
A. Coffee Day Trading Limited	Unsecured	Loan	-	Loan Provided by Holding Company carries NIL rate of interest and repayable after 5 years
B. Tanglin Development Limited	Unsecured	Loan	-	Loan Provided by entity under common control carries NIL rate of interest and repayable after 5 years

19 Non Current Lease Liabilities

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Hewlett Packard Financial Services India Pvt Ltd (refer note A)	2,509	4,904
Lease Liability (Ind AS 116) (refer note B)	18,663	17,430
	21,172	22,333

Particulars	Nature	Type	Amount	Terms and conditions
A. Hewlett Packard Financial Services India Pvt Ltd	Secured	Finance lease obligations(including current maturities)	4,922	Secured by Charge on movable fixed assets of the Magnasoft Consulting India Private Limited with WDV of Rs 6,682 thousands as on 31 March 2023; These loans carries a interest rate of 12% to 16% p.a. and each loan are repayable in 36 equal monthly instalments with effect from the date of disbursement of such loan.
B. Lease liability	Secured	Ind As 116(including current maturities)	26,762	Lease Liability has been recognised on adoption of Ind As 116. The weighted average incremental borrowing rate applied to lease liabilities is 10% and Non Cancellable lease tenure together with periods covered by an certainty to extend the lease ranges from 3-5 years.

20 Non-current provisions

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
- leave obligation	2,120	2,080
- gratuity	18,581	15,085
	20,701	17,165



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

21 Current Lease Liabilities

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Current maturity of finance lease obligation	2,413	2,262
Lease Liability (Ind AS 116)	8,099	4,886
	10,511	7,148

22 Other current financial liabilities

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
- Creditors for expenses	13,463	23,494
- employee dues	38,794	31,229
	52,257	54,723

23 Current provisions

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Provision for employee benefits		
- Leave obligation	447	422
- Gratuity*	1,338	1,004
	1,785	1,426

* For details refer note no.45

24 Other current liabilities

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Statutory dues	3,248	4,541
Advance from customers	150	397
Unearned Revenue *	1,456	8,309
	4,854	13,246

* The group is awaiting closure confirmation from the client to recognise the income. Pending, such confirmation letter, an amount of Rs.1,456 thousands (PY Rs.Nil) is reflected as unearned revenue in the above table, which is outstanding for more than one year.



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

25 Revenue from operations

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of services		
- Income from Geospatial Services	4,81,160	4,77,148
	4,81,160	4,77,148

26 Other income

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income	10,378	5,317
Export Incentive (SEIS)	2,318	11,848
Interest on security deposits	338	245
Other non-operating income		
- Liability no longer required written back	173	28,420
- Provision for expenses written back	-	23
- Provision for doubtful debts no longer required written back	30,273	28,271
- Net gain on foreign currency transactions and translation	10,659	3,072
-Gain/Loss on Lease Modification/Termination	-	2,213
-Rent Concession due to COVID 19	-	82
-Gain/Loss on investment carried at FVTPL	336	-
-Net reversal of share based payments to employees	1,642	-
-Profit on sale of asset	-	44
- miscellaneous income	378	391
	56,495	79,927

27 Changes in inventories of finished goods and work-in-progress

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Opening stock	-	443
Less: Inventory written off	-	443
(b) Closing stock	-	-
	-	-



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

28 Employee benefits expense

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	3,12,298	2,60,636
Contribution to provident and other funds	8,341	8,094
Gratuity expenses	3,484	4,983
Share based payments to employees	-	2,755
Staff welfare expenses	3,091	1,953
	3,27,214	2,78,422

29 Cost of software packages and others

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Third party items bought for software delivery to clients	-	27,548
Software implemetation and other cost	-	11,275
	-	38,823

30 Finance costs

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense	2,773	1,766
Interest on defined benefit obligation	1,424	1,392
Interest on MSME Dues(refer Note no.42)	1	11
Interest on statutory dues	18	0
	4,216	3,169

31 Depreciation and amortization expense

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment(Refer note 4)	2,619	3,199
Amortization of Right of Use of Asset (Refer note 5)	7,455	6,017
Amortization of intangible assets(Refer note 6)	2,137	2,135
	12,212	11,352



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

32 Other expenses

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent	4,821	4,176
Corporate Social Responsibility Expenses	1,402	-
Cost of purchased services	566	1,898
Power and fuel	4,429	3,780
Travelling and conveyance	17,490	5,456
Legal, professional and consultancy charges*	29,305	21,256
Audit fees	550	550
Rates and taxes	1,406	804
Repairs and maintenance	2,196	2,161
Subscription and Membership	25,480	18,212
Communication expenses	6,294	6,960
Subcontracting charges	21,182	13,265
Equipment hire charges	1,571	3,568
Office maintenance and utilities	2,266	2,437
Insurance	1,436	1,222
Security charges	1,014	1,148
Loss on Asset Discarded	-	2,979
Bad debts written off	30,590	28,271
Provision for doubtful debts	449	2,281
Bank Charges	1,652	1,619
Inventory written-off **	-	443
Miscellaneous expenses	323	2,226
	1,54,422	1,24,716

*Legal, professional and consultancy charges includes Share based payments to non-executive directors of amounting Rs. 861 thousands (31 March 2023 Rs.2,119 thousands)

**Efflux of time and Change of market conditions has resulted in impairment of inventory valuing Rs. 443 thousands, and same is shown as Inventory written off in the above note for FY 2021-22



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33 Income tax**(a) Major components of income tax expense for the year ended 31 March 2023 and 31 March 2022:**

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Current income tax:		
Current income tax charge	211	-
Deferred tax:		
Relating to origination and reversal of temporary differences	10,047	29,968
Minimum Alternate Tax		
-Current years	105	-
	<u>10,152</u>	<u>29,968</u>
Income tax expense reported in the statement of profit or loss	10,363	29,968

(b) Deferred tax related to items recognised in OCI during in the year:

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Remeasurement of defined benefit liability/ (assets)	(47)	504
Income tax charged to OCI	(47)	504

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before income tax	39,591	1,00,593
Tax at the Indian tax rate of 27.82% (PY 27.82%)	11,014	27,985
<u>Non-deductible expenses for tax purposes:</u>		
- Depreciation as per books	3,310	3,138
- Other non-deductible items	1,995	3,843
<u>Deductible expenses for tax purposes:</u>		
- Depreciation as per Income Tax Act	(5,570)	(6,643)
- Other deductible items	(9,307)	(26,568)
Temporary difference during the year	10,000	30,471
Lapse of MAT credit during the year	105	-
Income tax of earlier years	211	-
Differential foreign tax rate effect	(313)	(550)
Deferred tax not created on foreign entities	(1,081)	(1,709)
Income tax expense	10,363	29,968

(d) Amount for which no deferred tax asset is recognised in the balance sheet:

Deferred tax assets have not been recognised in respect of the following deductible temporary difference arisen in the group.

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Deductible temporary differences	28,055	47,850
Potential tax benefit @ applicable rates	5,892	10,049

Note:

One of the foreign entity Magnasoft spatial services Inc., is having carried forward of unabsorbed losses as on 31 March 2023 and 31 March 2022 amounting Rs. 28,055 thousands and Rs. 47,850 thousands respectively. It was presumed that the probability of deriving profits in future years to set off against unabsorbed losses is negligible. Hence deferred tax asset on the unabsorbed losses is not recognised.

(e) Uncertain tax position

Refer Note 34 for statutory dues under dispute.



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

34 Contingent liabilities, commitments and contingent assets

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Contingent liabilities:		
Bank Guarantees	-	125
Statutory dues under dispute	742	742

1. The company has received Income tax assessment order for Asst. Year 2018-19 with demand of Rs. 742 thousands by addition/disallowance of deduction claimed of Rs.18,000 thousands. The company has filed an appeal and is pending before the Commissioner of Income Tax (Appeals), Bangalore. Presently the demand is shown at Rs. 742 thousands (excluding interest) after adjusting the refund of other years.

2. During the current period, the group has received the GST ADT-01 notice under section 65 of the CGST Act, 2017 to its registered units in Bangalore, Hassan and Hyderabad to furnish the books of account and other documents to conduct the audit. The notice is received to conduct the audit for financial year 2017-18, 2018-19, 2019-20 and 2020-21. group has submitted all the necessary documents summoned by the GST department within the prescribed time limit.

Further group has received spot memo with tentative observations from the Hyderabad GST Authorities on 16th March 2023 and 28th March 2023. group has submitted the detailed reply along with relevant supporting documents to the Authorities. Group has not received any further communication from the Bangalore and Hassan GST Authorities.

3. The group has received TDS demand of Rs.758 thousands in respect of various assesment year. An amount of Rs.26 thousands has been paid and in respect of Rs.438 thousands application had been filed under Vivad Se Vishwas Scheme for AY 2012-13 and 2013-14 by paying the full and final settlement of Rs. 86 thousands. The group has received the full and final settlement order in respect of the AY 2012-13 and AY 2013-14 under VSV Scheme on 05 January 2023 and order giving effect is pending before the Assessing Officer to waive off the liability.

Further on 01 February 2023, group has received the additional interest demand of Rs. 462 thousands on the same matter and same period for which the CIT(TDS) under VSV scheme has granted immunity by giving the full and final settlement order. On 09 February 2023 and 21 February 2023 group has made submission before the TDS-CPC and Assessing officer to consider the order giving effect and waive off the demand.

Pending the above, the group has continued to account the liability of Rs.646 thousands in the books of accounts.

35 Corporate Social Responsibility (CSR) Expenditure

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
1. Amount required to be spent by the company during the year	1,402	-
2. Amount of expenditure incurred during the year**	1,402	-
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-

** Company has spent the CSR expenditure in accordance with provisions of Sec. 135 of the Companies Act, 2013 and nature of activities includes improvement of education and wildlife welfare



Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

36 Auditor's remuneration (excludes taxes)

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor	450	450
- for statutory audit	100	100
- for taxation audit	550	550

37 Share-based payments

Certain employees of the group have received employee stock options ('ESOP') on the shares granted by the promoters of the group. The group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account. In accordance with Ind AS 102 - Share-based Payments, the necessary disclosures have been made for grants made as described below.

Stock Option Plan (the Plan 2019):

Name of the Plan: Magnasoft Consulting India Pvt. Ltd. Employees Amended Stock Option Plan 2019 (the "Plan 2019")

Details of the Plan :

The Employee Stock Option Plan 2019 originally approved by the Board in its meeting on 26 July, 2019 and subsequently by the shareholders of the group vide a special resolution dated 30 September, 2019 is amended w.e.f. and in an Extraordinary General Meeting of the Members of the group held on September 30, 2022 and hereinafter referred to as the Employees Amended Stock Option Plan 2019 (Plan). The group had established a trust to be administered by the Board of Directors.

Under the Plan, the options granted under the plan would vest based on individual parameters determined by the Board and the vesting period shall be minimum of 1 year and maximum of 5 years from the date of grant of options. The exercise price and/or the pricing formula shall be as decided by the Board or a Committee of the Board that may be formed at the time of Grant. Presently it is Re.1.00 per share.

CXO Stock option Plan 2022

Name of the Plan: Magnasoft Consulting India Pvt. Ltd. CXO Stock Option Plan 2022 (the "Plan 2022")

Details of the Plan :

Pursuant to the decision of the shareholders, at their meeting held on September 30, 2022, the group had adopted the CXO stock option plan 2022 to grant stock options to eligible employees of the company and its subsidiaries who are members of its core management team ie; - CEO, CFO, COO, President, Executive Vice President, eligible Directors of the group or such other employees as may be decided by the Board from time to time.

The options granted under the plan would vest based on individual parameters determined by the Board and the vesting period shall be minimum of 1 year and maximum of 5 years from the date of grant of options. The exercise price and/or the pricing formula shall be as decided by the Board or a Committee of the Board that may be formed at the time of Grant. Presently it is Rs.9.00 per share.

The overall ceiling of options under all the stock option plans of the company shall not exceed 54,31,828 equity shares of Re. 1/- each of the total issued and paid up capital of the company and with each option conferring a right upon the employee to apply for one equity share.

Group has appointed the Advisor on March 03, 2023 and granted the 1,00,000 Equity settled stock options in lieu of compensation for the advisory services rendered as per the Advisory Agreement.



Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

The movements in the options under the plans during the year ended 31 March 2023 and 31 March 2022 is set out below:

Particulars	Amount in (Rs. thousands.) Except share data			
	To Employees		To Non-Executive Directors	
	Weighted average exercise price	For the year ended 31 March 2023	Weighted average exercise price	For the year ended 31 March 2022
Outstanding at the beginning of the year	1.00	11,07,543	1.00	8,71,832
Granted during the year	8.33	25,26,000	1.00	4,72,980
Forfeitures during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	1.00	6,62,973	1.00	2,37,269
Outstanding at the end of the year	7.24	29,70,570	1.00	11,07,543
Exercisable at the end of the year	1.00	3,87,648	1.00	2,36,521

Note:

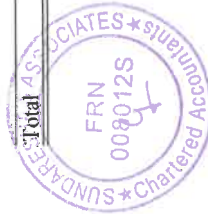
Options expired during the year are due to resignation of eligible employees. Certain options granted by the board is not yet sanctioned and the same is in the process being regularised in the ensuing board meeting.

To Non-Executive Directors

Particulars	Shares arising out of options- Plan 2019 & Plan 2022			
	Weighted average exercise price	For the year ended 31 March 2023	Weighted average exercise price	For the year ended 31 March 2022
	Outstanding at the beginning of the year	1.00	6,92,728	1.00
Granted during the year	9.00	2,89,500	-	-
Forfeitures during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3.36	9,82,228	1.00	6,92,728
Exercisable at the end of the year	1.00	5,14,478	1.00	4,25,353

Break-up of employee stock compensation expense under plan-2019 and Plan-2022

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Granted to Employee	(1,642)	2,755
Non-Executive Directors	861	2,119
Total	(781)	4,875



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Share based compensation cost to other than employees		
Granted to Advisor	103	-
Total	103	-

Fair value of options granted-Plan 2019

The fair value at the grant date of options granted during the year ended 31 March 2023 was Rs 11.20 per option (31 March 2022: Rs 11.20). The fair value at the grant date is determined using the Black Scholes-Merton model which takes into account the exercise price, the term of the option, the share price at grant date and expected price 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 options granted during the year ended 31 March 2023 and 31 March 2022 under the Plan 2019 included:

Eligibility details	For the year ended	
	31 March 2023	31 March 2022
Fair value as on grant date	11.12 - 11.23	11.12 - 11.23
Vesting period	NA	NA
Exercise price	1	1
Time to Maturity (TTM) (In Years)	2-4	2-4
Exercise Period	5 Years	5 Years
Share price at grant date	12	12
Expected price volatility of shares	16.63%	15.45%
Expected dividend yield	0%	0%
Risk free interest rate	6.22%	6.36%



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Fair value of options granted-CXO Plan 2022

The fair value at the grant date is determined using the Intrinsic value method which takes into account the exercise price, the term of the option and the share price at grant date. Grant 9A & 9B are granted during the year FY 2022-23 under the CXO Plan 2022. exercise price of the share option is Rs.9 and share price at the grant date is Rs.9. Fair value of share option is determined as zero by using the intrinsic value method.

Grant Dates	Dates
Grant 1 & 1A	6-Nov-19
Grant 2	28-Jan-20
Grant 3	1-Jun-20
Grant 4	13-Nov-20
Grant 5	8-Feb-21
Grant 6	13-Apr-21
Grant 7	19-Aug-21
Grant 8	3-Jun-22
Grant 9A & 9B	1-Aug-22

Note:

- 1) The Time of Maturity is estimated based on the vesting term and contractual term, as well as expected exercise behavior of the employee who receives the ESOP.
- 2) Since shares of the Company are not listed on any stock exchange, expected volatility had been derived from historic values of NSE IT Index as on / near to the Grant date.
- 3) Risk free rate is the current yield rates of Government Securities (with similar residual maturity as expected life of stock option) are being considered. This is based on the yield for Government Securities obtained from Reserve Bank of India (RBI).

38 Earnings per share (EPS)

(i) Reconciliation of earnings used in calculating earnings per share:

Particulars	Amount in (Rs. thousands.) Except share data	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit after taxation as per statement of profit and loss	29,228	70,625
- from discontinuing operations	-	-
Less: Dividends on preference shares and tax thereon	-	-
Net profit for basic and diluted earnings per share	29,228	70,625

(ii) Reconciliation of basic shares used in computing earnings per share –

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Number of equity shares at the beginning of the year	3,58,79,394
Add: Weighted average number of equity shares issued during the year	1,59,63,530	-
Number of weighted average equity shares considered for calculation of basic earnings per share	5,18,42,924	3,58,79,394



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(iii) Reconciliation of diluted shares used in computing earnings per share –

Particulars	For the year ended	
	31 March 2023	31 March 2022
Number of equity shares at the beginning of the year	3,58,79,394	3,58,79,394
Add: Weighted average number of equity shares issued during the year	1,59,63,530	-
Add: Weighted average number of equity shares under ESOP plan and Share options to Advisor	40,52,798	18,00,271
Number of weighted average equity shares considered for calculation of diluted earnings per share	5,58,95,722	3,76,79,665

	Amount (in Rs.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
(iv) Earnings per share:		
From continuing operations		
- Basic	0.56	1.97
-Diluted	0.52	1.87

39 Leases
Group as a Lessee

Ind AS 116 introduces a single lease accounting model and requires a group to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The group's lease asset classes primarily consist of leases for buildings and Plant and Equipments. The group assesses whether a contract contains a lease, at inception of a contract. Contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.



Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

The following is the movement in right of use of asset during the year ended 31 March 2023 and 31 March 2022

Particulars	For the year ended 31 March 2023				For the year ended 31 March 2022			
	Category of ROU				Category of ROU			
	Building	Furniture and fixtures	Plant and equipment	Total	Building	Furniture and fixtures	Plant and Equipment	Total
Opening Balance	14,899	7,996	7,941	30,836	9,019	-	2,245	11,265
Additions	10,263	217	-	10,481	17,528	8,133	7,200	32,861
- Sold	-	-	-	-	-	-	189	189
- Lease Modification/Termination	-	-	-	-	7,084	-	-	7,084
Amortisation	3,506	2,691	1,259	7,455	4,565	137	1,315	6,017
Closing Balance	21,657	5,522	6,682	33,861	14,899	7,996	7,941	30,836

The following is the movement in lease liabilities during the year ended 31 March 2023 and 31 March 2022

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening Balance	29,481	18,386
Additions	9,332	31,295
Finance Cost accrued during the year	2,773	1,622
Payment of Lease liabilities	9,902	12,735
Rent Concession due to COVID 19	-	82
Lease Modification/Termination	-	9,004
Closing Balance	31,684	29,481

The following is the break-up of current and non-current lease liabilities as at 31 March 2023 and 31 March 2022

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Current Lease Liability	10,511	7,148
Non Current Lease Liability	21,172	22,333
Total	31,684	29,481



Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

The table below provides the details of minimum lease payments and their present values:

Particulars	Amount in (Rs. thousands.)			
	As at 31 March 2023		As at 31 March 2022	
	Minimum lease payments	Net present value	Minimum lease payments	Net present value
Not later than 1 year	13,629	10,511	9,902	7,148
Later than 1 year and not later than 5 years	23,313	21,172	25,706	22,333
More than 5 years	-	-	-	-

40 Trade receivables and Contract Balances

The group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2023, the group has received Rs. 1,456 thousands which is recognized as unearned revenue. unearned revenue as of March 31, 2022 is Rs.8,309 thousands.

During the year ended March 31, 2023, unbilled revenue Rs. 483 thousands. Unbilled revenue as of March 31,2022 is Nil

Trade Receivables ageing schedule is as follows

As at 31 March 2023

Outstanding for periods from due date of payment	Amount in (Rs. thousands.)						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	36,994	10,058	-	-	-	-	47,052
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	1,647	250	-	601	24,614	27,112
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Trade receivables-unbilled	36,994	11,706	250	-	601	24,614	74,164
							483
							74,647



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

As at 31 March 2022							
Outstanding for periods from due date of payment	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	41,666	17,173	-	-	-	-	58,838
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2,210	1,155	228	766	52,469	56,828
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Trade receivables- unbilled	41,666	19,383	1,155	228	766	52,469	1,15,666
							1,15,666

41 Creditors						
Creditors aging schedule						
As at 31 March 2023						
Outstanding for periods from transaction date *	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	625	1,728	-	-	-	2,353
(ii) Others	-	1,480	452	-	-	1,932
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Trade payables-unbilled	625	3,209	452	-	-	4,285
						9,178
						13,463



Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

As at 31 March 2022	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding for periods from transaction date*						
(i) MSME	1,277	546	-	-	-	1,824
(ii) Others	16	858	206	6,218	91	7,390
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	1,294	1,405	206	6,218	91	9,213
Trade payables- unbilled						14,280
						23,494

*Ageing schedule for creditors is from the date of transaction but not from the due date.

42 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the group has received intimation from the "Suppliers" regarding the their status under the Act

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
(i). Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per agreed terms)		
-Principal amount due to micro and small enterprise	2,353	1,824
-Interest due on above	1	4
(ii). Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii). Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	7
(iv). The amount of interest accrued and remaining unpaid at the end of each accounting year	1	11
(v). Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	13	16

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

43 Segment Reporting

The group is engaged in the business of providing Geospatial services and there is only one primary segment. The CEO director and President director of the group is identified as a chief operating decision makers (CODM) as defined in Ind AS 108 - Operating Segments. The CODM evaluates the group performance based on an analysis of various performance indicators by geographical segments. Geographical segment is disclosed as secondary segment as follows.

Segment Revenue:

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from external customers:		
Americas	2,84,591	2,17,710
Asia Pacific	11,064	76,561
Europe	1,83,860	1,82,200
Middle East	1,646	678
Total segment revenue	4,81,160	4,77,148

Three customer accounted for more than 10% of the revenue Rs.2,41,696 thousands for the year ended March 31, 2023, however two customers accounted for more than 10% of the revenue Rs.1,61,253 thousands for the year ended March 31, 2022

The assets of the group are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.



Magnasoft Consulting India Private Limited**Notes to the Consolidated Financial Statements for the year ended 31 March 2023****44 Related party transactions****A. Parent entities:**Ultimate Holding Company

M/s.Coffee Day Enterprises Limited * Upto 18th May 2022

Holding Company

M/s.Coffee Day Trading Limited * Upto 18th May 2022

B. Other related parties with whom transactions have taken place:

M/s. PM Ventures Private Limited

M/s.Tanglin Developments Limited

M/s. SBSM Ventures LLC

Sri Bhupinder Singh Non-Executive Director

Sri Abraham Mathews Non-Executive Director

Sri Rajiv Kuchhal Non-Executive Director

Suman Anna Mathews

C. Key management personnel

Sri Bobbie H Kalra

Sri Ramesh Govindan Tirumalai Effective 01 September 2022

* The holding of M/s.Coffee Day Trading Limited, in the company is reduced from 72.98% to 48.21% w.e.f 19.05.2022 and accordingly the company ceased to be subsidiary companies to the Holding and Ultimate Holding company, w.e.f that date.

D. The following is a summary of related party transactions.

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Balances Written back		
Coffee Day Trading Limited	-	4,370
Tanglin Developments Limited	-	23,799
<u>Repayment of Loan</u>		
Coffee Day Trading Limited	27,755	-
Tanglin Developments Limited	50,000	-
<u>Receipts on allotment of Equity shares</u>		
PM Ventures Private Limited	48,350	-
Rajiv Kuchhal	48,350	-
Suman Anna Mathews	9,000	-
SBSM Ventures LLC	48,350	-
Ramesh Govindan Tirumalai Jtly with Sowmya Narayanan	10,000	-
<u>Share based payments to Non-Executive Directors **</u>		
Abraham Mathews	-	213
Rajiv Kuchhal	-	213
Bhupinder Singh	861	1,694

**Share based payments to non-executive directors is included in Legal, professional and consultancy charges.



E. The following is a summary of balances receivable from and payable to related parties:

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
<u>Loans and advances Payable</u>		
Coffee Day Trading Limited	-	27,755
Tanglin Developments Limited	-	50,000
<u>Creditors for expenses</u>		
Tanglin Developments Limited	-	6,039
<u>ESOP outstanding to Non-Executive Directors</u>		
Abraham Mathews	1,877	1,877
Rajiv Kuchhal	1,877	1,877
Bhupinder Singh	3,313	2,452

F. Compensation of key management personnel of the Group:

The following is a summary of transactions

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term employee benefits	40,966	15,878

G. Terms and conditions

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within the credit period allowed as per the policy. None of the balances is secured. No guarantees have been given or received during the year.

45 Gratuity plan

The following table sets out the status of the gratuity plan as required under IND AS 19 'Employee benefits'.

Reconciliation of the projected benefit obligations

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Change in projected benefit obligation:		
Obligations at the beginning of the year	16,089	16,027
Obligation acquired on acquisition during the year		
Included in profit and loss:		
- Service cost	3,484	4,983
- Interest cost	1,328	1,178
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:	182	(1,898)
Benefits settled	(1,164)	(4,201)
Obligations at year end	19,919	16,089
Change in plan assets:		
Plans assets at the beginning of the year, at fair value	-	-
Plan assets acquired on acquisition during the year	-	300
Contributions	1,164	4,201
Benefits settled	(1,164)	(4,201)
Plan Asset discontinued and reversed	-	(300)
Plans assets at year end, at fair value	-	-



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Liability recognised in the balance sheet

Reconciliation of present value of obligation and fair value of plan assets:

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Fair value of plan assets		
Present value of defined benefit obligation at the end of the year	19,919	16,089
Liability recognised in the balance sheet	19,919	16,089

Particulars	Amount in (Rs. thousands.)	
	As at	As at
	31 March 2023	31 March 2022
Gratuity cost for the year		
Included in profit and loss:		
- Service cost	3,484	4,983
- Interest cost	1,328	1,178
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:	182	(1,898)
Net gratuity cost	4,994	4,262

Assumptions

Interest rate	7.38% - 7.72%	7.04% - 7.46%
Expected rate of return on plan assets	0.00%	0.00%
Salary increase	8.00%	8.00%
Attrition rate	12.00%	12.00%
Mortality table	Indian Assured Lives (2012-2014) Ultimate Mortality Table	

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

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

Sensitivity analysis

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

Particulars	Amount in (Rs. thousands.)			
	As at		As at	
	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate(1% movement)	(2,008)	2,403	(1,629)	1,951
Salary growth(1% movement)	1,954	(1,727)	1,554	(1,420)
Attrition Rate(1% movement)	(181)	207	(140)	158
Mortality Rate(10% movement)	(3)	NA	(2)	NA

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



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Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

46 Financial instruments - fair value measurement

(a) Accounting classification and fair value

Particulars	Amount in (Rs. thousands.)			
	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
<i>Measured at amortised cost:</i>				
Trade receivables	47,052	*	58,838	*
Cash and cash equivalents	62,104	*	74,225	*
Bank balances other than cash and cash equivalents	2,52,973	*	1,22,511	*
Other current financial assets	608	*	405	*
Other non-current financial assets	24,359	**	11,506	**
Measured at fair value through profit or loss:				
Mutual Fund Units(quoted)	15,042	15,042	-	-
Total	4,02,137	15,042	2,67,486	-
Financial liabilities				
<i>Measured at amortised cost:</i>				
Non current Borrowings				
- Fixed rate instruments	31,684	36,942	1,07,237	1,13,364
Other Current financial Liabilities	52,257	*	54,723	*
Total	83,940	36,942	1,61,959	1,13,364

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

** Other non-current financial assets include the interest free refundable security deposit discounted to present value and Fixed deposit with banks and accordingly fair value approximate their carrying amounts.

(b) Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table



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Magnasoft Consulting India Private Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Financial assets and liabilities measured at fair value - recurring fair value	Notes	Amount in (Rs. thousands.)		
		Level 1	Level 2	Level 3
As at 31 March 2023				Total
Financial assets:				
<i>Measured at fair value through profit or loss:</i>				
Mutual Fund Units(quoted)	9	15,042	-	15,042
Financial Liabilities				
<i>Measured at amortised cost:</i>				
Non current Borrowings (including current maturities)	18, 19 & 21	-	36,942	36,942
Financial assets and liabilities measured at fair value - recurring fair value				
As at 31 March 2022				Total
Financial assets:				
<i>Measured at fair value through profit or loss:</i>				
Mutual Fund Units(quoted)	9	-	-	-
Financial Liabilities				
<i>Measured at amortised cost:</i>				
Non current Borrowings (including current maturities)	18, 19 & 21	-	1,13,364	1,13,364
Total Financial Liabilities		-	1,13,364	1,13,364

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3

(c) Valuation technique used to determine fair value

- The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.



Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

47 Financial instruments - risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

Impairment losses on financial assets recognised in profit or loss were as follows.

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Impairment loss/(gain) on trade and other receivables	(29,825)	(25,991)
Total	(29,825)	(25,991)

i) Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower



Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Expected credit loss for trade receivables under simplified approach:

Particulars	Amount in (Rs. thousands.)		
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	Carrying amount	Provision amount	Carrying amount
0-120 days past due	45,417	-	60,520
120-180 days past due**	28,747	27,112	55,146
	74,164	27,112	1,15,666
			56,828

**Trade receivables ageing more than 120 days past due for the year ended 31st March 2023 in excess of expected credit loss includes an amount of Rs.1,635 thousands. Expected credit loss on the said receivable has not been provided due to back to back payment terms with one of the customer.

Reconciliation of loss allowance provision:

Particulars	Amount in (Rs. thousands.)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss allowance at the beginning of the year	56,828	82,516
Provision written back	(30,273)	(28,271)
Provision for doubtful debts	449	2,281
Exchange difference on translation of foreign operations	109	302
Loss allowance at the end of the year	27,112	56,828

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits of the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments.

	Amount in (Rs. thousands.)					
	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2023						
Non-derivative financial liabilities						
Long term borrowings	-	-	-	-	-	-
Lease Liabilities	36,942	2,387	11,242	13,617	9,696	-
Creditors for expenses and creditors for capital goods	13,463	13,463	-	-	-	-
	50,405	15,850	11,242	13,617	9,696	-
As at 31 March 2022						
Non-derivative financial liabilities						
Long term borrowings	77,755	-	-	-	77,755	-
Lease Liabilities	35,609	1,573	8,330	10,065	15,642	-
Creditors for expenses and creditors for capital goods	27,131	27,131	-	-	-	-
	1,40,495	28,704	8,330	10,065	93,397	-

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Company companies. The functional currencies of Company companies are primarily INR. The currencies in which these transactions are primarily denominated are euro, US dollars, Euro etc.



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Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Foreign Currency	Amount in (Rs. thousands.)	Foreign Currency	Amount in (Rs. thousands.)
Trade Receivable				
USD	540	44,375	741	56,184
EURO	127	11,340	272	22,941
GBP	66	6,737	166	16,492
AUD	22	1,183	28	1,614
CAD	24	1,446	228	13,795
CHF	2	197	2	180
NZD	0	21	0	21

The following significant exchange rates have been applied

INR	Average rate		Year-end spot rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD	80.39	74.51	82.17	75.79
EURO	83.75	86.58	89.44	84.22
GBP	96.85	101.80	101.65	99.46
AUD	55.01	55.08	55.03	56.74
CAD	60.76	59.44	60.67	60.49
CHF	84.27	81.11	89.58	82.03
NZD	50.02	51.91	51.49	52.56



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Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro, US dollar, sterling or Swiss franc against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2023		31 March 2022	
	Percentage Movement	Increase / Decrease	Percentage Movement	Increase / Decrease
USD sensitivity	8.41%	3,734	3.67%	2,061
EUR sensitivity	6.20%	703	-1.78%	(409)
GBP sensitivity	2.20%	149	-1.29%	(212)
AUD sensitivity	-3.03%	(36)	1.87%	30
CAD sensitivity	0.29%	4	4.25%	586
CHF sensitivity	9.20%	18	5.77%	10
NZD sensitivity	-2.05%	(0)	2.72%	1

There is no impact on other components of equity

ii) Interest rate risk

The groups's main interest rate risk arises from long-term borrowings with fixed rates of interest. Hence, company is not significantly exposed to interest rate risk.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows :-

	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Fixed rate borrowings	31,684	1,07,237

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Borrowings	Weighted average interest rate 10.31%	Weighted average interest rate 2.92%
	Balance 31,684	Balance 1,07,237



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Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

48 Financial Ratios:

Particulars	For the year ended		% change in ratio	Numerator	Denominator	Reason for change in the ratio by more than 25% as compared to the preceding year
	31 March 2023	31 March 2022				
a. Current Ratio(in times)	5.7	3.75	51%	Total Current Assets	Total Current Liabilities	Increase in Current ratio is mainly attributable to current maturities of fixed deposits.
b. Debt-Equity Ratio(in times)	0.1	0.45	-84%	Borrowings and Lease liabilities	Total Equity	Decrease in Debt equity ratio due to issue and offer of equity shares and discharge of long term debts.
c. Debt Service Coverage Ratio(in times)	2.9	8.04	-63%	Earnings of Debt Service = Net profit after taxes + interest +depreciation-lease rent payments	Debt Service = Current Maturities of Borrowings and lease Liabilities	Decrease in DSCR is predominantly due to decrease in EBITDA in comparison with previous year.
d. Return on Equity Ratio(in %)	9%	35%	-75%	Profit after tax (excluding exceptional items)	Average shareholders equity	Decrease in return on equity is due to Decrease in profit, issue and offer of equity shares during the year.
f. Trade Receivables turnover ratio(in times)	9.09	11.32	-20%	Revenue from operations	Average Trade receivables	
h. Net capital turnover ratio(in times)	1.03	1.38	-25%	Revenue from operations	Capital Employed(i.e., Total Equity+Borrowings+Lease liabilities)	Decrease is mainly attributable to issue of equity shares during the year.
i. Net profit ratio(in %)	6%	15%	-59%	Profit after tax	Revenue from operations	Decrease in turnover and increase in operating expenditure has resulted in lower net margin leading to decrease in net profit ratio.
j. Return on Capital employed(in %)	9%	30%	-69%	Profit Before Tax + Finance Cost	Capital Employed(i.e., Total Equity+Borrowings+Finance Lease liabilities)	Decrease in return on equity is due to Decrease in profit, issue and offer of equity shares during the year.



Magnasoft Consulting India Private Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

49 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

Particulars	Amount in (Rs. thousands.)	
	As at 31 March 2023	As at 31 March 2022
Borrowings	31,684	1,07,237
Other payables	52,257	54,723
Net debt	83,940	1,61,959
As percentage of total capital	16%	40%
Equity		
As percentage of total capital	4,33,488	2,39,367
Total capital (debt and equity)	84%	60%
	5,17,428	4,01,326

As per our report of even date attached

For **Sundaresha & Associates**

Chartered Accountants

Firm Registration No. : 008012S


Pradeepa Chandra C
Partner

Membership No.216133

Place: Bangalore

Date: 26 April 2023

For: and on behalf of the Board of Directors of
Magnasoft Consulting India Private Limited



Ramcsh Govindan Tirumalai

CEO and Director

DIN: 00013358

Bangalore

Date: 26 April 2023



Bobbie H Kalra

President and Director

DIN: 00324575

Bangalore

Date: 26 April 2023

